2009 2010

Public Accounts

Yukon
Finance

PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF YUKON

for the year ended March 31, 2010

Finance

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Yukon
Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

October 20, 2010

The Honourable Geraldine Van Bibber
Commissioner of Yukon

I have the honour to submit herewith the Public Accounts of the Government of Yukon for the fiscal year ended March 31, 2010.

Dennis Fentie
Minister of Finance

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PUBLIC ACCOUNTS OF THE
GOVERNMENT OF YUKON

TABLE OF CONTENTS

		Page
Part One	**Financial Statement Discussion and Analysis**	1
Part Two	**Audited Consolidated Financial Statements**	17
	Management's Responsibility for Financial Reporting	19
	Report of the Auditor General of Canada	21
	Government of Yukon Consolidated Financial Statements	23
Part Three	**Non-Consolidated Financial Statements**	59
Section I	Government of Yukon Financial Statements (unaudited)	61
Section II	Supplementary Financial Information (unaudited)	95
	Schedule 1 - Comparative Schedule of Revenues	97
	Schedule 2 - Schedule of Revenues by Department	100
	Schedule 3 - Comparative Schedule of Expenses	124
	Schedule 4 - Schedule of Expenses by Department	136
	Schedule 5 - Schedule of Recoveries of Prior Years' Expenses	154
	Schedule 6 - Schedule of Restricted Funds	155
	Schedule 7 - Schedule of Inventories of Supplies	157
	Schedule 8 - Schedule of Legislated Grants	158
	Schedule 9 - Schedule of Other Government Transfers	159
	Schedule 10 - Schedule of Special Warrants	179
	Schedule 11 - Schedule of Bad Debt Write-offs and Forgiveness	181
Section III	Supplementary Financial Statements (audited)	185
	Yukon College	187
	Yukon Development Corporation	209
	Yukon Hospital Corporation	239
	Yukon Housing Corporation	259
	Yukon Liquor Corporation	261
	Compensation Fund (Yukon)	277

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PART ONE

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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GOVERNMENT OF YUKON

Financial Statement Discussion and Analysis for the year ended March 31, 2010

Introduction

The Public Accounts is a major accountability report of the Government of Yukon (the Government). The purpose of the financial statement discussion and analysis is to expand upon and explain information contained in the consolidated financial statements, which are presented in Part Two of the Public Accounts. Responsibility for the preparation of this discussion and analysis rests with management of the Department of Finance.

2009-10 Highlights

- The Government spent $131 million for the development of tangible capital assets in 2009-10, which was an 85% increase from the previous year. The Government received $58 million from other governments to offset the cost of this development, the major contributor being the Government of Canada. The Government of Yukon invested $73 million of its own resources.

- In 2009-10, the Government's revenues increased by $62 million to $906 million, a 7% increase from the previous year, largely due to an increase in the Formula Financing transfer payments from the Government of Canada.

- Expenses increased by $87 million, to $924 million, which was an increase of 10% from the previous year. The largest increase was in the health and social services sector, which increased by $26 million or 11% from the previous year. This increase was primarily due to the increase in health care expenses. Health and social services related expenses of $264 million accounted for 29% of the Government's total expenses.

- The Government reported an annual deficit of $16 million in 2009-10. Of the $34 million variance between the budgeted surplus of $18 million and the actual deficit of $16 million, $21 million was due to an accounting policy change for the revenue recognition of the Building Canada Plan funding, which was implemented after the 2009-10 budget was approved by the Legislative Assembly. As of the 2008-09 financial statements, based on the recommendation by the Office of the Auditor General of Canada, the Government changed its accounting policy; the Government now defers the funding received under this infrastructure development program, and recognizes revenues to match the related expenses. Another large variance factor was health and social services expenses, which were $19 million more than budgeted.

- The Government continues to have a net financial resources position, with a balance at March 31, 2010 of $217 million. To have net financial resources means a government has more financial assets than liabilities readily available to finance its future operations. The Yukon is one of two Canadian jurisdictions (along with Alberta) that have net financial resources, rather than net debt.

- The preliminary gross domestic product (GDP) figures for the calendar year 2009 indicate Yukon's GDP increased by 1.4%. Except for Prince Edward Island which saw an increase of 0.6%, all other Canadian jurisdictions experienced reductions anywhere from 0.2% to 10%. Yukon's unemployment rate of 6.9% as of December 2009 continues to be below the Canadian average of 8.2%.

Financial Statement Discussion and Analysis for the year ended March 31, 2010

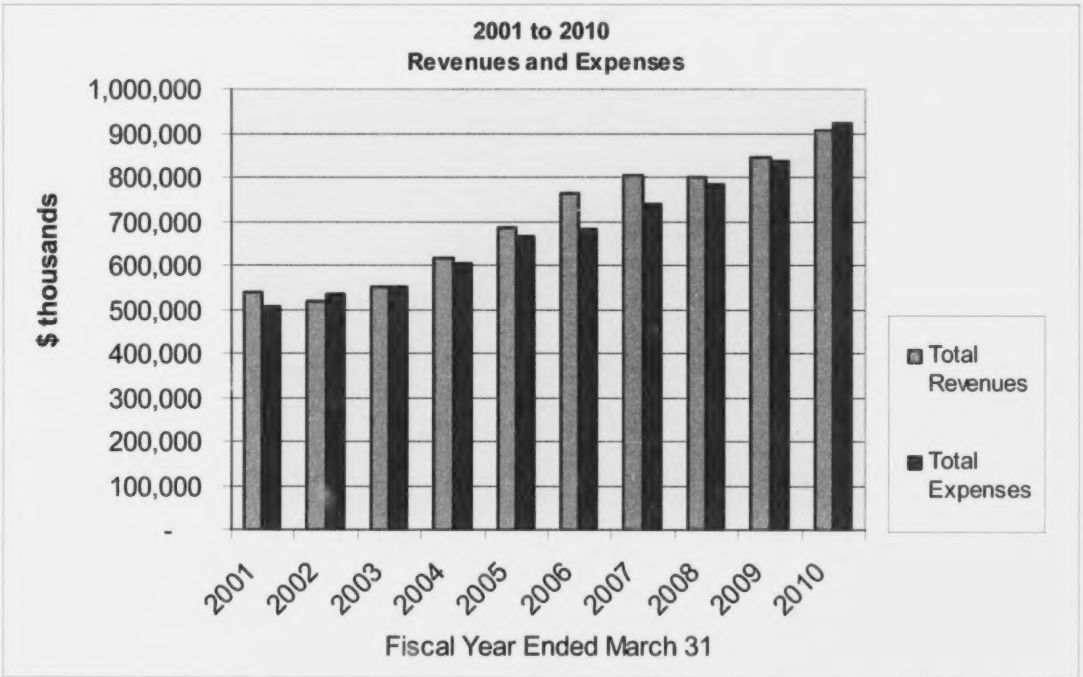
Surplus/Deficit for the Year

The Government reported an annual deficit of $16 million in 2009-10.

The Government's annual surplus or deficit resulting from its operations is dependent on various factors. Two of the most significant factors are:

- total revenues, of which the Formula Financing grant from the Government of Canada makes up the largest share, less:
- direct government spending and operating transfers to individuals and other public organizations, such as municipalities.

The chart below illustrates the trend between revenues and spending over the last 10 years. The amounts are taken directly from the respective year's Public Accounts, without reflecting changes in accounting policies over the years.



Reporting an annual surplus or deficit is affected by accounting policies used to calculate revenues and expenses. During the ten years reflected above, there were two significant accounting policy changes. Since 2004-05, the Government has used full accrual accounting, whereby expenditures for tangible capital asset acquisitions and developments are capitalized and, therefore, not reported as expenses. Instead, the cost of the asset is allocated over its estimated useful life and a portion is reported as an amortization expense. Since 2005-06, Yukon College and the Yukon Hospital Corporation's financial statements have been included as part of the Government's reporting entity.

Financial Statement Discussion and Analysis for the year ended March 31, 2010

Net Financial Resources and Accumulated Surplus

At March 31, 2010, the Government's financial assets exceeded its liabilities, resulting in net financial resources of $217 million ($281 million at March 31, 2009). This important indicator shows that the Government has financial resources on hand to finance future operations and that the Government is not relying on future revenues to provide current services. An examination of published Public Accounts indicate that, at the end of the 2010 fiscal year, Yukon and Alberta were the only two Canadian jurisdictions that had net financial resources, rather than net debt. The reduction of $64 million in net financial resources from the previous year-end was mainly due to large expenditures incurred for the construction of buildings and infrastructure.

During the 2009-10 fiscal year, the Government expended $131 million (85% over the previous year's amount of $71 million) for the construction of buildings and other infrastructure. These capital investments were funded in part by the federal government's economic stimulus funding programs such as the Building Canada Plan and Canada Economic Action Plan; however, in large part, the Government invested its own resources on these projects. The Government received capital funding of $58 million in 2009-10 and $42 million in 2008-09.

Accumulated surplus consists of net financial resources and non-financial assets such as tangible capital assets. The accumulated surplus of the Government at March 31, 2010 was $720 million ($736 million at March 31, 2009).

Revenues

In 2009-10, the Government's total revenues increased by 7% ($62 million), to $906 million, from the previous year.

The Government receives the majority of its revenues from the Government of Canada as a Formula Financing grant. In 2009-10, the Government received $612 million as a Formula Financing grant. This was an increase of $48 million or 9% from the previous year.

In addition to the Formula Financing grant, the Government receives transfer payments from the Government of Canada as well as other parties for various purposes such as health and social programs and infrastructure development.

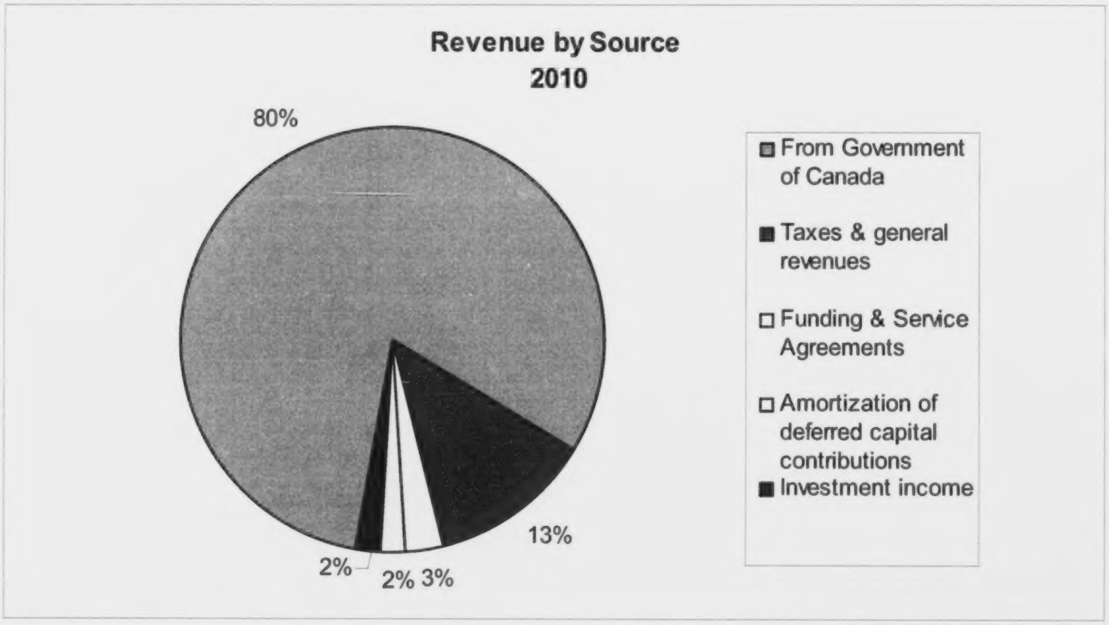
Taxes and general revenues include corporate income, personal income, tobacco, liquor, fuel, insurance premium and property taxes, oil and gas resource revenues and licences and fees such as motor vehicle licences and business/professional fees.

The income from investment in government business enterprises of $17 million ($7 million in the previous year) reported in the financial statements represents the net results of government corporations that are categorized as government business enterprises. Government of Yukon business enterprises include the Yukon Liquor Corporation and the Yukon Development Corporation, which reports its results consolidating the Yukon Energy Corporation. The $10 million increase from previous year was due to Yukon Development Corporation's higher income.

GOVERNMENT OF YUKON

Financial Statement Discussion and Analysis for the year ended March 31, 2010

Revenue by source is illustrated in the chart below:



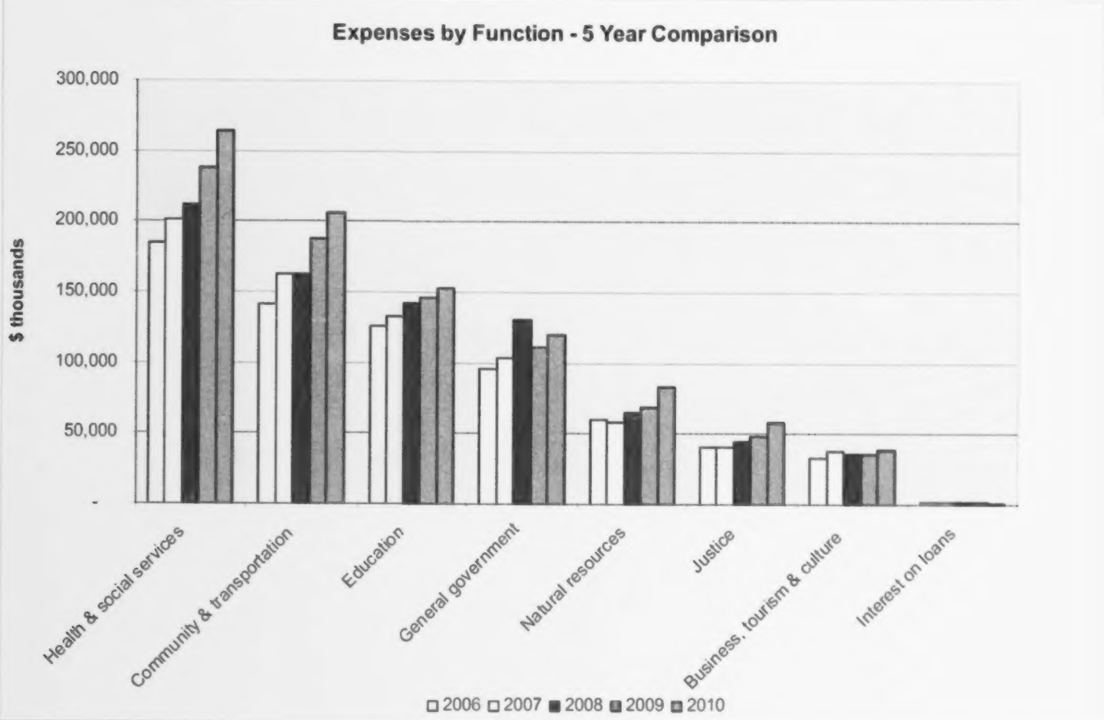
Expenses

In 2009-10, the ratio of expenses by function remained consistent with the previous year, with health and social services, community and transportation, and education comprising 67% of total expenses (68% in 2008-09).

Overall, expenses increased by 10% ($87 million), to $924 million, from the previous year. The largest increase was in the health and social services function, with an increase of $26 million, followed by an $18 million increase in community and transportation. The increase in health and social services expenses was largely due to increased health care costs such as physicians' claims, out-of-territory medical costs and hospital expenses. The increase in community and transportation was largely due to an increase in capital transfers to other organizations, especially local governments, under the federal economic stimulus initiative.

As for the type of expenses, the highest percentage was wages and benefits (45%), followed by procurement of goods and services (34%), transfer payments (16%) and amortization expenses (5%). This ratio is consistent with the previous year.

The chart below illustrates 5-year comparison of expenses by function. Expenses in the health and social services function have increased more than other functions in the last two years. The majority of these increases are in health services.



GOVERNMENT OF YUKON

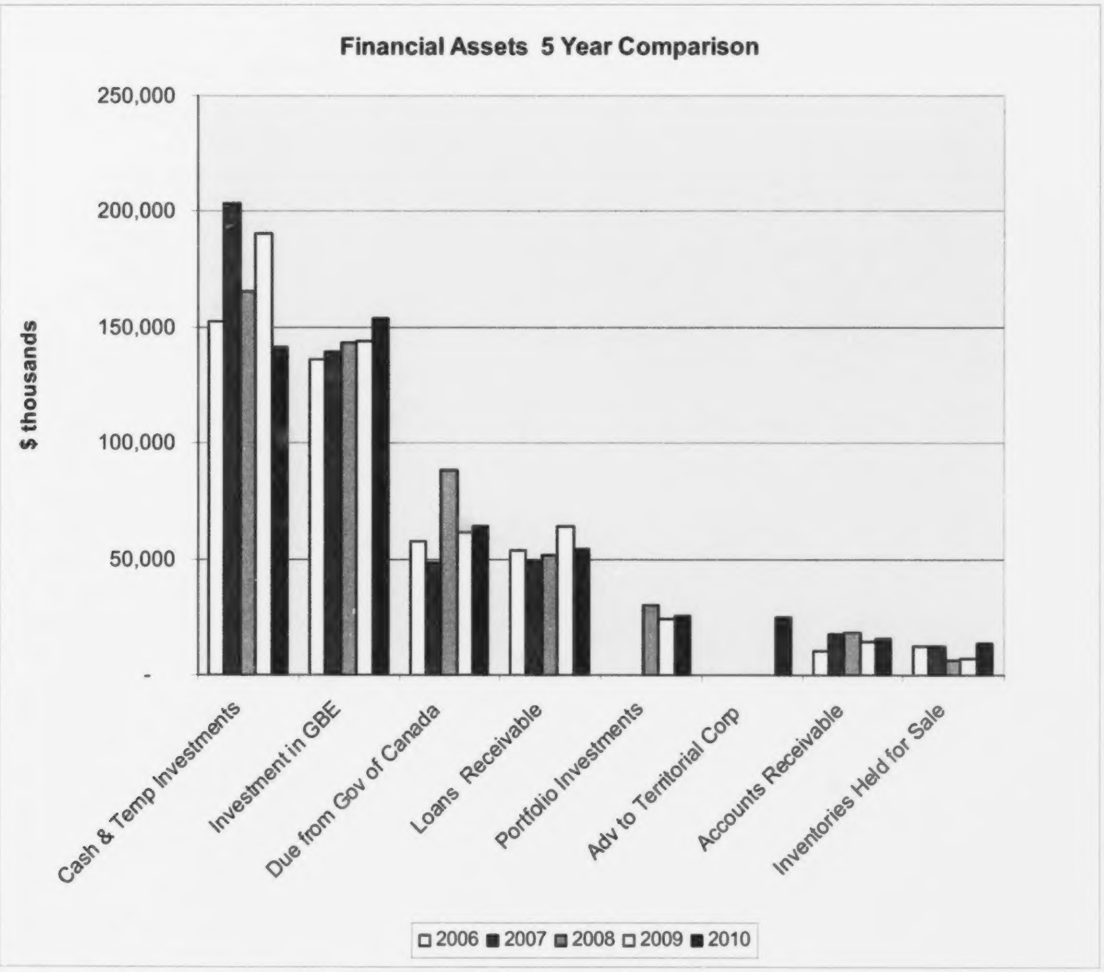
Financial Statement Discussion and Analysis for the year ended March 31, 2010

Assets

Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to finance future activities. At March 31, 2010, total financial assets were $493 million, a decrease of $12 million or 2% from the previous year. The largest decrease was in cash, cash equivalents and temporary investments, which decreased by $49 million. This decrease was partially offset by an increase in advances to Territorial corporations of $25 million and an increase of $10 million in investment in government business enterprises (GBE). Cash and cash equivalents and temporary investments of $142 million account for 29% of the total financial assets.

Financial assets by type as a five-year comparison are shown below:


Financial Assets 5 Year Comparison

Major categories of the Government's financial assets are described below.

Cash and cash equivalents and temporary investments

Cash and cash equivalents are comprised of bank balances, short-term investments that mature less than 90 days from the date of purchase, funds held in trust accounts on behalf of the Government and cash on hand. Temporary investments are investments with maturity dates longer than 90 days, at the time of purchase, but less than one year. Temporary investments consist of bankers' acceptances, provincial treasury bills and promissory notes and Government of Canada treasury bills. These financial assets are highly liquid and readily available to discharge Government's financial obligations.

At March 31, 2010, the Government's cash and cash equivalents and temporary investments were $142 million.

Investment in government business enterprises

Investment in government business enterprises, which are self-sustainable government corporations, represent equities of the Yukon Development Corporation and the Yukon Liquor Corporation. The Yukon Development Corporation is shown as an investment value of $152 million at March 31, 2010 (2009 - $142 million). The Yukon Energy Corporation, which supplies and sells power in the Yukon, is a wholly-owned subsidiary of the Yukon Development Corporation.

In February 2009, the Yukon Energy Corporation filed an application for a project to expand the existing Mayo hydro plant (Mayo B project) to the Yukon Environmental and Socio-Economic Assessment Board. The Mayo B project involves building a new powerhouse about three kilometres downstream from the existing powerhouse with the expectation of doubling the amount of energy that can be generated from the Mayo River.

In May 2009, the Government of Canada announced it would provide up to $71 million for the Mayo B project and for the completion of the Carmacks-Stewart transmission line under its newly announced $1 billion Green Infrastructure Fund. The Government also announced its support for this project. The total estimated cost of the Mayo B project and the Carmacks-Stewart transmission line is $160 million.

By June 2010, the Yukon Energy Corporation had received all the permits necessary and started construction of Mayo B. In the same month, the Yukon Development Corporation issued 30-year bonds in the amount of $100 million in order to finance Mayo B, the Carmacks-Stewart transmission line project and other miscellaneous projects.

Due from Government of Canada

At March 31, 2010, the Government had receivables from the Government of Canada in the amount of $64 million, 90% of which were outstanding claims on cost sharing agreements and projects delivered on behalf of the federal government.

Loans receivable

The Government had loans receivable of $54 million, of which 72% or $39 million were Yukon Housing Corporation mortgages receivable, followed by 11% or $6 million in land-sale related loans receivable that are also administered by the Yukon Housing Corporation. The $54 million receivable is net of allowance for doubtful accounts of $2 million. The Government does not expect any significant losses resulting from doubtful accounts.

Portfolio investments

On March 31, 2010 the Government held investments in Floating Rate Notes (FRNs) with a carrying value of $26 million as a result of restructuring process related to previous investments in asset-backed commercial paper. Upon completion of the restructuring process on January 21, 2009, the Government received FRNs with a face value of $36 million of various classes issued by a trust referred to as the Master Asset Vehicle II.

All FRNs are expected to be repaid by January 22, 2017. Fair value of FRNs held by the Government is estimated at $29 million as of March 31, 2010. Further details of these investments are described in notes 7 and 17 to the consolidated financial statements.

Non-financial Assets

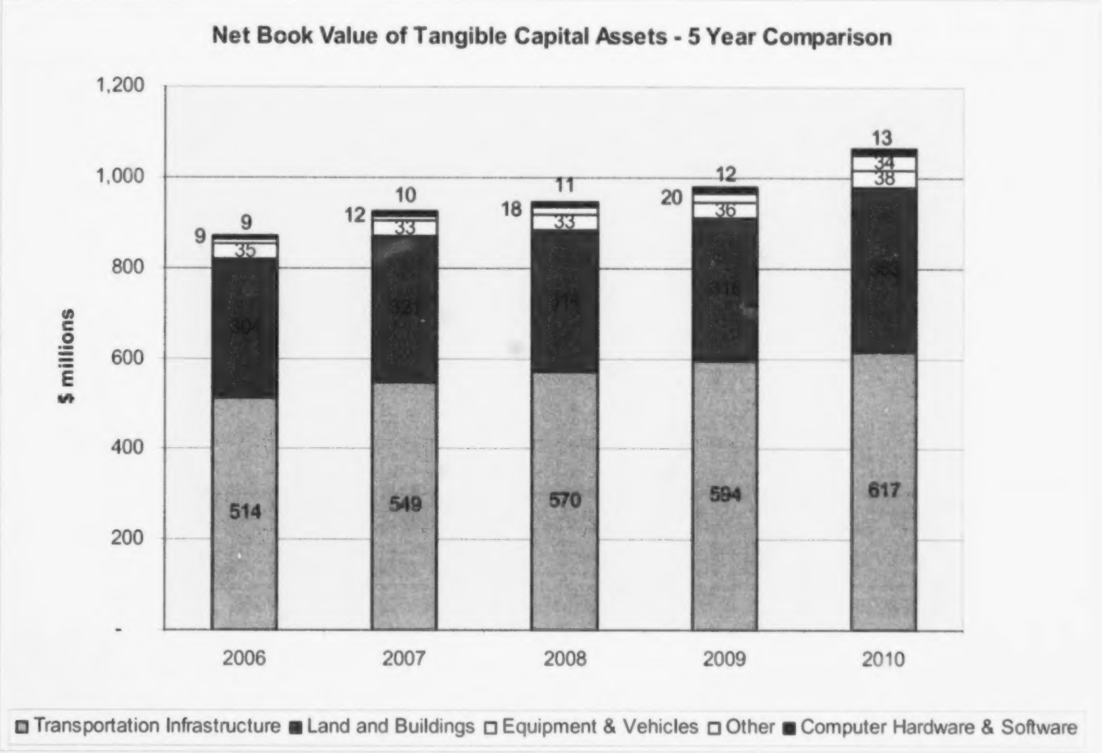
Non-financial assets are assets that do not normally provide resources to discharge existing liabilities, but instead are normally used to deliver future government services or may be consumed in the normal course of operations. Non-financial assets include tangible capital assets, inventories, and prepaid expenses, of which the largest category is tangible capital assets.

Tangible capital assets

At March 31, 2010, the Government owned and used tangible capital assets valued at $1.1 billion for its program delivery, an increase of $87 million from the previous year value of $978 million. Of those assets, $572 million or 54% are either funded by other governments or transferred from the Government of Canada as part of the transfer of various program responsibilities.

Financial Statement Discussion and Analysis for the year ended March 31, 2010

Tangible capital assets by type as a 5-year comparison are shown below:



Transportation infrastructure comprises highways, bridges and airport runways. In accordance with the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the value of transferred Crown land is not reported as tangible capital assets.

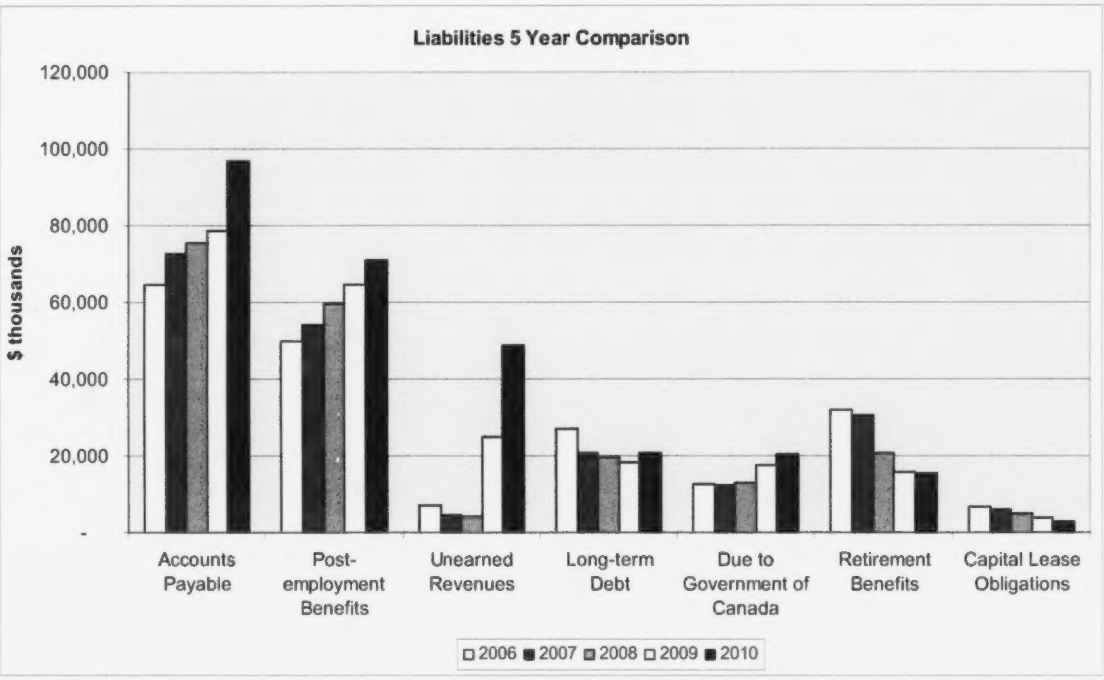
In 2009-10, the Government made the following investment in tangible capital assets:

	(millions)
Opening balance at April 1, 2009	$ 978
Investment during the year	131
Less: Disposal and write-downs	(1)
Amortization	(43)
Balance at March 31, 2010	$1,065

Of the $131 million invested in tangible capital assets during the year, $58 million was funded by other governments. The largest capital funding the Government received in the fiscal year 2009-10 was from the U.S. Government under the Shakwak Agreement for reconstruction of the Alaska Highway. In 2009-10, the Government received $21 million ($30 million in 2008-09) pursuant to the Shakwak Agreement.

Liabilities

The liabilities of the Government at March 31, 2010 totaled $276 million ($224 million at March 31, 2009), which is equivalent to 56% of the financial assets of the Government. A 5-year comparison of the Government's liabilities by category is illustrated below:



Major categories of the Government's liabilities are described as follows:

Accounts payable

Accounts payable includes accrued liabilities that were estimated prior to the receipt of actual invoices. The total accounts payable and accrued liabilities increased by 23% from the previous year total of $79 million to $97 million at March 31, 2010. The increase is largely due to the increased infrastructure development in the Yukon and an associated increase in outstanding payables for these activities.

Post-employment benefits

The Government's second largest liability, after accounts payable, is post-employment benefits. Post-employment benefits are provided to employees after employment but before retirement. These benefits consist of severance pay, sick leave and vacation leave benefits. Following the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the Government uses an actuary to estimate its post-employment benefit liability. The post-employment benefit liability at March 31, 2010 was $71 million ($65 million at March 31, 2009).

Unearned revenue

Unearned revenues represent cash that was received by the Government for which no service nor goods were provided at year-end. Of the total unearned revenue of $49 million reported as of March 31, 2010 ($25 million at March 31, 2009), 61% or $30 million were unspent monies received under the Building Canada Plan from the Government of Canada and 22% or $11 million represented monies yet to be spent for the affordable housing initiative under the Canada Economic Action Plan.

Long-term debt

The largest portion of the $21 million reported as long-term debt are mortgages payable by the Yukon Housing Corporation totaling $13 million. $4 million represents the subscribed portion of a demand construction facility loan of up to $17 million used by the Yukon Hospital Corporation for financing the costs of the new staff residence and medical services facility in Whitehorse.

Subsequent to the financial statement date, in June 2010, the Government provided its consent for the Yukon Hospital Corporation to borrow up to $50 million for the construction of the Watson Lake Hospital and the Dawson City Hospital. Construction of these new hospital buildings is expected to be completed by 2012.

Due to Government of Canada

50% of the $20 million payable to the Government of Canada represents accounts payable for the policing services provided by RCMP in the Yukon. The Government annually pays approximately $20 million to RCMP for these services. The remainder of the amount due to the Government of Canada relates to Public Service Pension Plan contributions and payroll deductions payable.

Retirement benefits

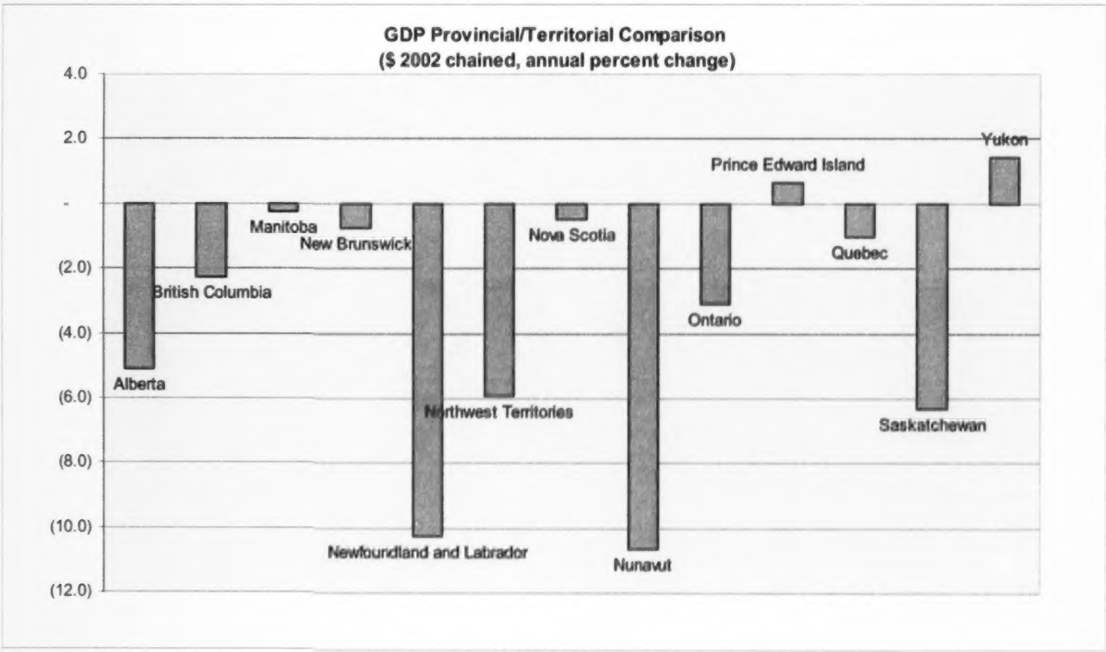
The retirement benefit liability of $16 million at March 31, 2010 represents the Government's extended health benefits that are provided to retired employees as well as various pension plan liabilities. The retirement benefit liabilities include those pension plan liabilities for the Members of Legislative Assembly, territorial court judges and employees of Yukon College and the Yukon Hospital Corporation. As the Yukon government employees participate in the Public Service Pension Plan administered by the Government of Canada, there is no pension liability for Government of Yukon employees. The Government contributed $30 million to the Public Service Pension Plan in 2009-10 as the employer's share ($29 million in 2008-09).

Indicators of Financial and Economic Conditions

Real Gross Domestic Product (GDP) in Calendar Year 2009

At the end of 2009, Yukon and Prince Edward Island were the only two Canadian jurisdictions that experienced growth in GDP.

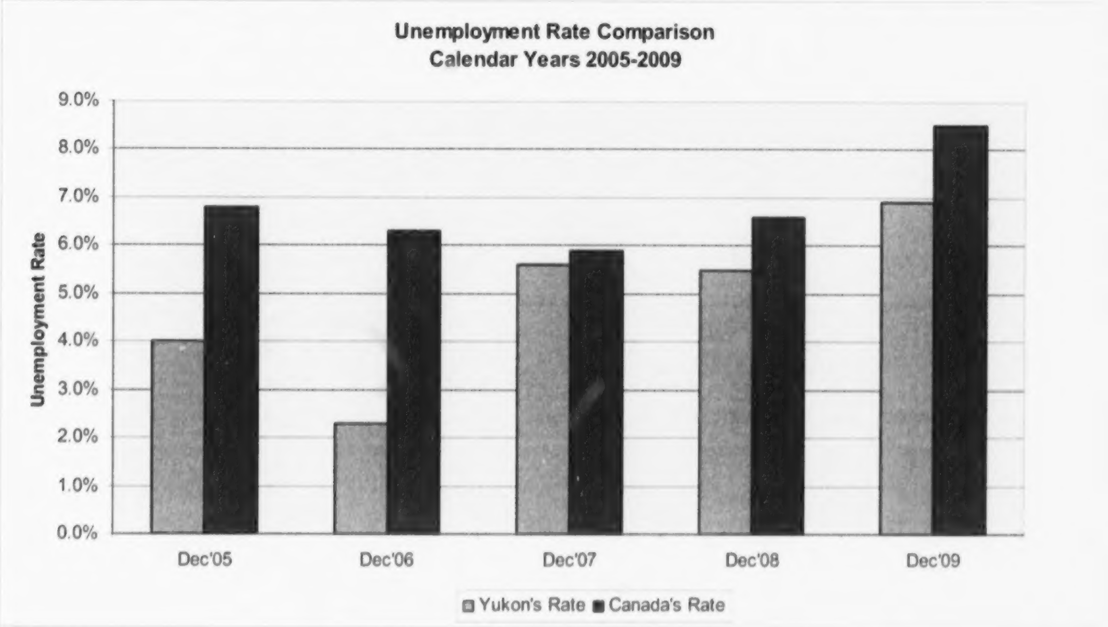
The bar graph bellows shows a comparison of GDP change from calendar year 2008 to 2009 across the Canadian jurisdictions.



Unemployment rate (Calendar Year 2009)

Yukon's unemployment rate was 6.9% in December 2009. Yukon's unemployment rate continues to be below the national average of 8.2%. At the time of publishing, latest available rates are for the month of August 2010. Yukon's rate increased slightly to 7.2% which is still below the national average of 8.5%.

The graph below shows a 5-year comparison of Yukon's unemployment rate against the Canadian average. Yukon's unemployment rate was below Canadian average throughout the 5 years.



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PART TWO

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of Yukon is the responsibility of management of the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. Where GAAP permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these statements.

The Government fulfills its account and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and control designed to provide timely and reliable information to users, to properly safeguard assets, and to ensure all financial transactions are in accordance with the *Yukon Act* (Canada), *Financial Administration Act* (Yukon) and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the results of its operations, the change in its net financial resources and its cash flows of the year, in accordance with GAAP for the public sector. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, in accordance with the statutory powers of the Government and those organizations included in the consolidation.

Annually, the consolidated financial statements are tabled in the Legislative Assembly as part of the Public Accounts, and are referred to the Public Accounts Committee.

David Hrycan

David Hrycan, FCMA
Deputy Minister of Finance

October 8, 2010

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Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Legislative Assembly of Yukon

I have audited the consolidated statement of financial position of the Government of Yukon as at March 31, 2010 and the consolidated statements of operations and accumulated surplus, change in net financial resources and cash flow for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2010 and the results of its operations, the change in its net financial resources and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the transactions of the Government and of those organizations listed in Note 2(a) to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Yukon Act*, the *Financial Administration Act* and regulations and the legislative authorities and by-laws governing the organizations listed in Note 2(a).

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
October 8, 2010

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GOVERNMENT OF YUKON

Consolidated Statement of Financial Position
as at March 31, 2010

	2010	2009
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 3)	$ 82,365	$ 78,972
Temporary investments (Note 4)	59,259	111,449
Due from Government of Canada (Note 5)	63,900	61,220
Accounts receivable (Note 6)	15,623	14,158
Advances to Territorial corporations (Note 10 (b))	25,000	-
Portfolio investments (Note 7)	25,592	24,114
Loans receivable (Note 8)	54,219	64,213
Inventories held for sale (Note 9)	13,456	6,900
Investment in government business enterprises (Note 10(a))	153,502	143,772
	492,916	504,798
Liabilities		
Due to Government of Canada (Note 5)	20,329	17,396
Accounts payable and accrued liabilities (Note 11)	96,719	78,753
Unearned revenues (Note 12)	48,793	25,058
Post-employment benefits (Note 13)	71,027	64,583
Retirement benefits (Note 14)	15,530	15,902
Long-term debt (Note 15)	20,832	18,104
Capital lease obligations (Note 16)	2,632	3,879
	275,862	223,675
Net financial resources	**217,054**	**281,123**
Non-financial assets		
Tangible capital assets (Note 18)	1,065,069	978,042
Less: Deferred capital contributions (Note 19)	(572,289)	(531,917)
Inventories of supplies	8,042	7,258
Prepaid expenses	1,961	1,540
	502,783	454,923
Accumulated surplus	**$ 719,837**	**$ 736,046**

Contingencies, contractual obligations and guarantees
(Notes 10(c), 22, 24, 25, 26, 27, and 29)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved:

David Hrycan

David Hrycan, FCMA
Deputy Minister of Finance

Dennis Fentie
Minister of Finance

GOVERNMENT OF YUKON

Consolidated Statement of Operations and Accumulated Surplus for the year ended March 31, 2010

	2010		2009
	Budget (Note 1(b))	Actual	Actual
		(thousands of dollars)	
Revenues (Schedule A)			
From Government of Canada	$ 753,329	$ 732,585	$ 682,475
Taxes and general revenues	109,423	113,854	111,069
Income from investment in government business enterprises	7,229	17,275	7,491
Funding and service agreements with other parties	28,224	24,336	26,727
Amortization of deferred capital contributions	17,563	17,631	16,134
	915,768	905,681	843,896
Expenses (Note 20)			
Health and social services	244,394	263,838	238,155
Community and transportation	189,775	205,690	187,889
Education	151,531	152,463	145,756
General government	139,872	120,446	111,096
Natural resources	87,195	83,412	68,702
Justice	54,071	58,177	48,861
Business, tourism and culture	40,882	38,859	35,626
Interest on loans	1,628	1,363	1,494
Adjustments	(11,843)	-	-
	897,505	924,248	837,579
Recovery of prior years' expenses	-	2,358	812
Surplus (deficit) for the year	**$ 18,263**	**(16,209)**	**7,129**
Accumulated surplus at beginning of year		736,046	728,917
Accumulated surplus at end of year		**$ 719,837**	**$ 736,046**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON

Consolidated Statement of Change in Net Financial Resources
for the year ended March 31, 2010

	2010		2009
	Budget (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus (deficit) for the year	$ 18,263	$ (16,209)	$ 7,129
Effect of change in tangible capital assets			
Acquisitions	(100,729)	(131,201)	(71,296)
Capital contributions received and deferred	23,596	58,044	41,682
Amortization of tangible capital assets	38,350	43,578	39,852
Amortization of deferred capital contributions	(16,923)	(17,631)	(16,134)
(Gain)/loss on disposal of tangible capital assets	-	(99)	957
Proceeds on disposal of tangible capital assets	-	307	190
Write-down of tangible capital assets	-	387	-
Write-down of deferred capital contributions	-	(40)	4
	(55,706)	(46,655)	(4,745)
Effect of change in other non-financial assets			
Increase in inventories of supplies	-	(784)	(1,959)
Increase in prepaid expenses	-	(421)	(2)
	-	(1,205)	(1,961)
(Decrease) increase in net financial resources	$ (37,443)	(64,069)	423
Net financial resources at beginning of year		281,123	280,700
Net financial resources at end of year		$ 217,054	$ 281,123

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON

Consolidated Statement of Cash Flow
for the year ended March 31, 2010

	2010	2009
	(thousands of dollars)	
Operating transactions		
Cash received from:		
Government of Canada	$ 753,812	$ 711,638
Taxes and general revenues	115,871	111,105
Funding and service agreements with other parties	23,635	27,787
Interest from investments and loans	4,759	7,680
	898,077	858,210
Cash paid for:		
Salary, wages and benefits	402,160	378,016
Materials, utilities and contract services	303,656	266,050
Transfer payments	149,378	141,189
Interest on loans	1,394	1,518
Interest on capital leases	404	546
	856,992	787,319
Cash provided by operating transactions	41,085	70,891
Capital transactions		
Acquisition of tangible capital assets	(126,981)	(69,928)
Contributions received for acquisition	54,298	35,227
Proceeds on sale of tangible capital assets	307	190
Cash used for capital transactions	(72,376)	(34,511)
Investing transactions		
Decrease in temporary investments	52,190	8,565
Decrease in portfolio investments	50	1,622
Investment in inventories held for sale	(7,334)	(7,588)
Proceeds from sale of inventories held for sale	13,388	8,422
Advances to Territorial corporations	(25,000)	-
Advances of loans receivable	(8,251)	(18,566)
Repayment of loans receivable	8,161	7,278
Cash provided by (used for) investing transactions	33,204	(267)
Financing transactions		
Repayment of capital lease obligations	(1,247)	(1,105)
Proceeds from long-term debt	4,252	-
Repayment of long-term debt	(1,525)	(1,429)
Cash provided by (used for) financing transactions	1,480	(2,534)
Increase in cash and cash equivalents	**3,393**	**33,579**
Cash and cash equivalents at beginning of year	78,972	45,393
Cash and cash equivalents at end of year (Note 3)	**$ 82,365**	**$ 78,972**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements
March 31, 2010

1. Authority and operations

(a) Authority

The Government of Yukon (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

(b) Budget

The Budget figures fully consolidate, on a line-by-line basis, the Main Estimates approved in the Legislative Assembly, which consists of the estimates of the Government departments and the Yukon Housing Corporation, with the budgets of Yukon College and the Yukon Hospital Corporation as approved by the respective board of trustees. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, the Government of Canada or a province;
- fixed deposits, notes, certificates and other short-term paper of, or guaranteed by, a bank including swapped deposit transactions in the currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of the Government of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity and method of consolidation

The consolidated financial statements include the accounts of all government sector entities and government not-for-profit organizations.

Government sector entities include departments and government-controlled corporations. Government not-for-profit organizations comprise government-controlled education and health institutions.

The accounts of government sector entities and not-for-profit organizations, except for those that are commercial in nature and are classified as government business enterprises, are consolidated using the full consolidation method. With the full consolidation method, revenue and expense transactions, capital, investing and financing transactions, and related assets and liability accounts between consolidated entities have been eliminated.

The accounts of government business enterprises are consolidated using the modified equity method. Under the modified equity method of consolidation, the accounting policies of consolidated entities are not adjusted to conform with those of the government organizations that are consolidated using the full consolidation method. Inter-entity revenue and expense transactions and related asset and liability balances are not eliminated.

All accounts of the government reporting entity are consolidated using the financial information for the year ended March 31, 2010. As for the organizations that use a fiscal year-end other than March 31, the Government used their interim financial statements as at March 31, 2010.

Trusts administered by the Government on behalf of other parties (Note 21) are excluded from the government reporting entity.

The organizations comprising the government reporting entity, categorized by the consolidation method are as follows:

Full consolidation:

Government of Yukon departments
Yukon College
Yukon Hospital Corporation
Yukon Housing Corporation

Modified equity:

Yukon Development Corporation
Yukon Liquor Corporation

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007/2008 to 2013/2014, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007,* restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are received in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfer revenues are made in the year they are known.

The Government receives funds from the Government of Canada and other sources under various transfers including infrastructure funding such as the reconstruction of the Alaska Highway. These capital transfers are made for the purpose of acquiring assets that will provide government services for many years in the future. As a result, revenues are recognized in the year in which the related expenses are incurred. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance's best estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are final. The Government recognizes income tax revenues based on the estimates made by the Government of Canada, adjusted for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Fuel and tobacco taxes are levied under the authority of the *Fuel Oil Tax Act* (Yukon) and the *Tobacco Tax Act* (Yukon). Revenues are recognized based on the statements received from collectors and estimates. Adjustments from reassessments are recorded in revenue in the year they are identified.

Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when authorized and recipients have met eligibility criteria.

Recovery of prior years' expenses includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for the current year.

Assets

Financial assets

Cash and cash equivalents include cash on hand, balances with banks, funds held in trust accounts on behalf of the Government, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Temporary investments include bankers' acceptances, provincial treasury bills and promissory notes and Government of Canada treasury bills with terms of maturity of more than 90 days but less than one year from the date of acquisition. When the market value of temporary investments has declined below the carrying value, they are carried at market value.

Portfolio investments are long-term investments and accounted for by the cost method. Any discount or premium arising on purchase is amortized over the period to maturity, and the carrying value of the investment is adjusted systematically, during the period it is held, toward the amount expected to be realized at maturity. The Government periodically re-estimates the expected cash flows, and any impact from changes is recorded as part of the discount or premium amortization and is included in investment income. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. The loan receivable is reduced by the amount of a loss when the amount is known with sufficient precision, and there is no realistic prospect of recovery. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Inventories held for sale include land that has been developed by the Government, housing units and supplies held for eventual sale. Land held for sale comprises the costs of acquiring, planning and developing serviced lots. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to net recoverable value to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale. Housing units and supplies held for sale are recorded at the lower of cost and net realizable value.

Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets.

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials that are tracked through revolving funds and medical supplies of the Yukon Hospital Corporation. Inventories are valued at the lower of cost and replacement value. These assets are not held for sale and are intended to be used in providing government services. Other materials and supplies are expensed at the time of acquisition.

Liabilities

Liabilities include financial claims payable by the Government and unearned revenues.

Unearned revenues are cash received for which goods and services have not been provided by year-end, and are primarily comprised of motor vehicle licence fees for the following fiscal years and transfer payments from the Government of Canada, which have not yet been expended in accordance with funding agreements.

Capital lease obligations are recorded with a corresponding asset at the lower of the present value of the minimum lease payments, excluding the portion relating to executory costs, and the fair value of the asset. The present value is based on the Government's borrowing rate at the time the obligation is incurred.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed.

(c) Tangible capital assets

Tangible capital assets are buildings, roads, equipment, and other items, whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services. These assets are recorded at cost, or fair value if donated. For certain tangible capital assets that have previously been transferred from the Government of Canada or where the original costs are not readily available, estimated costs have been extrapolated back in time in a systematic and rational manner to approximate the appropriate transfer value of the assets at the time of transfer.

Transferred and cost-shared tangible capital assets are recorded upon acquisition with an offsetting deferred capital contribution that represents the value of the contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on a straight-line basis over their estimated useful life.

The value of works of art, historical treasures, all intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. The existence of historical treasures and the total estimated value of works of art are disclosed in Note 18 of these financial statements.

Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives:

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Land improvements and fixtures	$50,000	up to 50 years
Buildings	$50,000	40 - 50 years
Portable classrooms/housing trailers	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 20 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Mobile radio system infrastructure	$100,000	15 years
Leasehold improvements	$50,000	Shorter of the lease term or useful economic life
Sewage and water systems	$50,000	50 years
Forestry access roads	$50,000	10 years
Highways	$250,000	30 - 50 years
Pavement	$250,000	26 years
Bridges	$250,000	30 - 50 years
Airport runways	$50,000	26 - 50 years

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service.

(d) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these plans is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

(e) Retirement benefits

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Government is not currently required to make contributions with respect to any actuarial deficiencies of the pension plan. Other retirement benefits include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. Liabilities for these benefits are valued on an actuarial basis.

Retirement benefits to Members of the Legislative Assembly, territorial court judges, and the employees of Yukon College and the Yukon Hospital Corporation are defined benefit plans and are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on services, with an actuarial valuation for accounting purposes updated annually. Pension expenses for these plans are recognized as members render services. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. The accrued benefit liability for these plans is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses.

(f) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination or, in the case of solid waste landfill closure and post-closure care, as the landfill sites capacity is used, and the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. Accrued environmental liabilities are reported as part of accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to portfolio investments, post-employment and retirement benefits, environmental liabilities, contingencies and revenue accruals such as Canada health and social transfer payments, and corporate and personal income tax revenue.

3. Cash and cash equivalents

	2010	2009
	(thousands of dollars)	
Bank balances	$ 58,142	$ 44,029
Short-term investments	20,715	23,401
Funds held for the Government by trustees	3,432	13,131
Cash on hand	76	61
Bank line of credit	-	(1,650)
	$ 82,365	$ 78,972

4. Temporary investments

	2010		2009	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Bankers' acceptances	$ 45,989	$ 45,993	$ 82,673	$ 82,598
Provincial treasury bills and promissory notes	12,271	12,267	8,982	8,946
Government of Canada treasury bills	999	999	-	-
Bearer deposit notes	-	-	19,917	19,905
	$ 59,259	$ 59,259	$ 111,572	$ 111,449

Temporary investments during the year had a weighted average effective yield of 0.7% (2009 – 2.7%) per annum.

5. Due from/to Government of Canada

	2010	2009
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	$ 57,644	$ 53,944
Income tax receivable	5,319	6,996
Other	937	280
	$ 63,900	$ 61,220
Due to Government of Canada		
RCMP	$ 10,503	$ 8,132
Public Service Pension Plan contribution payable	4,372	4,125
Payroll deductions payable	4,106	4,053
Other	1,348	1,086
	$ 20,329	$ 17,396

Amounts due from and due to Government of Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

6. Accounts receivable

	2010	2009
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 11,335	$ 11,051
Less valuation allowances	(977)	(1,326)
	10,358	9,725
Due from Territorial corporations	5,265	4,433
	$ 15,623	$ 14,158

7. Portfolio investments

On March 31, 2010 the Government held portfolio investments in floating rate notes with a carrying value of $25.6 million as a result of a restructuring process related to previous investments in asset-backed commercial paper. Upon the restructuring, on January 21, 2009, the Government received notes with a face value of $36.3 million of various classes issued by a trust referred to as the "Master Asset Vehicle II" (MAV II).

As the Government's investments in MAV II notes are not current in nature, these investments are classified as portfolio investments. The investments were recorded at a discount to their face value. This discount is amortized over time as the investments move closer to their maturity dates. During the year $1,528,000 of discount was amortized resulting in a March 31, 2010 carrying value of $25,592,000. The $1,528,000 amortized discount was recognized as current year revenue from portfolio investments.

The Government held the following investments in MAV II notes:

	2010		2009	
	Face Value	Carrying Value	Face Value	Carrying Value
	(thousands of dollars)			
Master Asset Vehicle II (MAV II)				
Class A-1 Notes	$ 15,726	$ 12,180	$ 15,777	$ 11,421
Class A-2 Notes	16,455	12,054	16,455	11,516
Class B Notes	2,986	1,248	2,986	1,098
Class C Notes	1,089	110	1,089	79
	$ 36,256	$ 25,592	$ 36,307	$ 24,114

Generally all notes are expected to be repaid on January 22, 2017 except for Class A-1 notes that are expected to start returning principal beginning in 2013 as the underlying assets mature. Class A-1 and A-2 notes pay quarterly interest at a rate equivalent to a bankers' acceptance rate minus 0.5%. Class B notes accrue interest at the same rate as A-1 and A-2 notes but will not pay interest until after the principal and interest on Class A-1 and A-2 notes have been fully paid. Class C notes accrue interest at a bankers' acceptance rate plus 20% but will not pay interest until after the principal and interest on Class B notes have been fully paid. A one-time principal repayment of $51,000 attributable to excluded securities was made on the Class A-1 notes and was received in two distributions that occurred during the year.

All notes are backed by a combination of structured and traditional assets. Class A-1 and A-2 notes were assigned a rating of "A" by DBRS Limited ("DBRS"). In August 2009, DBRS downgraded the rating of the Class A-2 from "A" to "BBB (low)" and maintained the trend of Under Review with Negative Implications which had been in place since April 24, 2009. On February 9, 2010, DBRS removed the Under Review with Negative Implications trend from the Class A-2 notes and maintained the rating at "BBB" (low)". Class B and C notes are not rated.

8. Loans receivable

	2010	2009
	(thousands of dollars)	
Yukon Housing Corporation mortgages receivable, secured by registered charges against real property, chattel mortgages and general security agreements, due in varying annual amounts to the year 2025 bearing interest rates ranging from 0% to 7.15%, net of allowance for doubtful accounts of $504,000 (2009 - $1,784,000)	$ 38,689	$ 42,789
Agreements for sale of land, due in varying annual amounts over a three or five year term to the year 2015 bearing interest rates ranging from 3.00% to 7.25%	6,206	11,925
Local improvement loans, due in varying annual amounts to the year 2036, bearing interest rates ranging from 0.50% to 8.21%	3,801	3,723
Debenture loans to municipalities, due in varying annual amounts to the year 2030, bearing interest rates ranging from 4.00% to 9.25%	3,478	4,011
Other, net of allowance for doubtful accounts of $1,906,000 (2009 - $1,905,000)	2,045	1,765
	$ 54,219	$ 64,213

9. Inventories held for sale

	2010	2009
	(thousands of dollars)	
Land held for sale		
Undeveloped land	$ 465	$ 465
Land under development	9,163	4,379
Developed land	3,385	959
	13,013	5,803
Other	443	1,097
	$ 13,456	$ 6,900

10. Investment in government business enterprises

(a) Summary financial statements

Summary financial statements of the government entities accounted for by the modified equity method are provided below. The Yukon Development Corporation has a fiscal year-end of December 31. The Yukon Liquor Corporation has a fiscal year-end of March 31.

	Yukon Development Corporation	Yukon Liquor Corporation	2010 Total	2009 Total
	(thousands of dollars)			
Balance Sheet				
Assets				
Current	$ 28,014	$ 6,342	$ 34,356	$ 13,832
Capital assets	208,811	1,326	210,137	191,728
Other	38,392	-	38,392	31,809
	$ 275,217	$ 7,668	$ 282,885	$ 237,369
Liabilities				
Current	$ 27,462	$ 5,328	$ 32,790	$ 11,476
Long-term debt	34,200	-	34,200	32,743
Other	61,379	1,014	62,393	49,378
Equity	152,176	1,326	153,502	143,772
	$ 275,217	$ 7,668	$ 282,885	$ 237,369
Statement of Operations and Equity				
Revenues	$ 35,883	$ 15,594	$ 51,477	$ 45,581
Expenses	25,908	8,292	34,200	38,049
Surplus	9,975	7,302	17, 277	7,532
Remitted to the Government	-	(7,547)	(7,547)	(7,070)
Equity, beginning of year	142,201	1,571	143,772	143,310
Equity, end of year	$ 152,176	$ 1,326	$ 153,502	$ 143,772

Equity represents the Government's investment in the government business enterprises.

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Liquor Corporation	2010 Total	2009 Total
	(thousands of dollars)			
Government of Yukon:				
Advance receivable from	$ 25,000	$ -	$ 25,000	$ -
Accounts receivable from	155	2,932	3,087	2,964
Accounts payable to	898	3	901	942
Long-term obligations to	1,178	-	1,178	1,887
Revenues from	153	8,885	9,038	8,540
Expenses to	14,735	14	14,749	20,305

Advance receivable from Yukon Development Corporation

In December 2009, the Government entered into a loan advance agreement with the Yukon Development Corporation (YDC) and advanced the principal sum of $25 million to YDC in order to assist in the Carmacks-Stewart transmission project and the Mayo hydro enhancement project, which are being carried out by the Yukon Energy Corporation, YDC's wholly-owned subsidiary. The initial term of the loan advance was June 22, 2010. Pursuant to the agreement, the Government and YDC agreed to extend the loan for a second term, with a maturity date of September 20, 2010. Subsequently, on August 11, 2010, YDC repaid the $25 million. The per annum interest rate applicable to the principal amount during the first term was the three month banker's acceptance rate on December 14, 2009 plus 70 basis points (1.01%). The per annum interest rate during the second term was the three month banker's acceptance rate on June 15, 2010 plus 50 basis points (1.29%).

(c) Contractual obligations

Yukon Development Corporation

In February 2010, the Yukon Energy Corporation (YEC), the wholly-owned subsidiary of the Yukon Development Corporation, entered into contracts totalling $11.7 million for the construction of the transmission line from Pelly Crossing to Stewart Crossing. Work is scheduled to be completed during the fiscal year 2010/2011. In addition, YEC entered into an agreement for the construction of a new hydroelectric powerhouse and related facilities in Mayo. The agreement has a target price of $77.7 million payable over the course of construction which is to be completed by March 31, 2012.

(d) Subsequent event

Yukon Development Corporation

Subsequent to the financial statement date, in June 2010, the Yukon Development Corporation (YDC) issued 30-year bonds in the amount of $100 million at a fixed coupon rate of 5.0% per annum in order to partially finance the Mayo hydro enhancement project, the Carmacks-Stewart transmission project and other miscellaneous projects. The Government indicated its plan to assist YDC by contributing towards a portion of principal and interest payments up to $52.5 million. This amount will be reduced on a pro rata basis by any revenues from new industrial customers connecting to the Carmacks-Stewart transmission line.

11. Accounts payable and accrued liabilities

	2010	2009
	(thousands of dollars)	
Accrued liabilities	$ 54,018	$ 44,612
Accounts payable	34,484	27,284
Contractors' holdbacks and security deposits	6,441	5,125
Due to Territorial corporations	1,776	1,732
	$ 96,719	$ 78,753

12. Unearned revenues

	2010	2009
	(thousands of dollars)	
Unspent transfer payments from Government of Canada	$ 42,573	$ 20,017
Motor vehicle fees for future years	2,358	2,064
Other	3,862	2,977
	$ 48,793	$ 25,058

13. Post-employment benefits

	2010	2009
	(thousands of dollars)	
Severance benefits	$ 48,905	$ 45,930
Sick leave obligation	20,291	19,472
Vacation leave obligation	17,096	16,158
Accrued benefit obligation	86,292	81,560
Unrecognized net actuarial loss	(15,265)	(16,977)
Accrued benefit liability	$ 71,027	$ 64,583

Severance benefits are paid on termination of service or upon retirement.

If an employee has at least five years of continuous service, a cash-in of sick leave will be paid on termination of service or upon retirement. The cash-in amount is calculated as 1/3 of unused sick leave credits to a maximum of 60 days multiplied by the daily pay rate at termination or retirement.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. In projecting the accrued obligation for these benefits as at March 31, 2010, the Government assumed a discount rate of 5.75% and general salary increases of 2.5% per annum. The net actuarial loss is amortized over the expected average remaining service life of the active employees of 10.4 years. The Government is conducting an actuarial valuation of post-employment benefits at March 31, 2010. The information from this valuation will be reflected in the 2010/2011 financial statements.

Expenses related to post-employment benefits for the year ended March 31, 2010 were $13,162,000 (2009 - $12,290,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $6,981,000 (2009 - $7,393,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

14. Retirement benefits

(a) Public Service Pension Plan

The employees of the Yukon Government and the Yukon Housing Corporation participate in the Public Service Pension Plan administered by the Government of Canada. In this plan, employees accumulate pension benefits up to a maximum period of 35 years at 2% per year of pensionable service based on the average of their five consecutive years of highest paid services. Until December 2009, the Government contributed $1.91 for every dollar contributed by the employee, and $7.50 for every dollar contributed by the employee for the portion of the employee's salary above $136,700. Effective January 1, 2010, the Government contributes $1.94 for every dollar contributed by the employee, and $8.90 for every dollar contributed by the employee for the portion of the employee's salary above $139,500. The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were $29,705,000 (2009 - $28,666,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and/or earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

The funds are held by an investment manager in two different accounts. The first account holds the assets of the trust fund for the registered pension plan established pursuant to Parts 1 and 2 of the *Legislative Assembly Retirement Allowances Act*. The second account holds the assets of the Government, from which benefits under Part 3 of the *Legislative Assembly Retirement Allowances Act* are paid. It is the Government's policy to fully fund Parts 1 and 2 of this pension plan.

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The accrued benefit obligation as at March 31, 2010 is based on an extrapolation of an actuarial valuation for funding purposes conducted as at March 31, 2008 using best estimate assumptions accepted by the Members' Services Board of the Legislative Assembly.

(c) Territorial Court Judiciary Pension Plan

The Territorial Court Judiciary Pension Plan is comprised of a judiciary registered pension plan, a judiciary retirement compensation arrangement and a supplementary judiciary pension plan. In addition to pension payments, these plans also contain a provision for payment of lump sum death and severance allowances. The Plan is administered by the Public Service Commissioner in the meaning assigned by the *Public Service Act* (Yukon).

The judiciary registered pension plan is a contributory defined benefit pension plan. In this plan, benefits are accumulated at an annual amount of 2% multiplied by the number of years of credited service multiplied by the annual average of the member's highest five consecutive years of earnings. A member's credited service is limited to a maximum of 35 years. The judiciary retirement compensation arrangement was established for the purpose of providing benefits to members with respect to pensionable service earnings that are in excess of the maximum pension limits of the judiciary registered pension plan as required by the *Income Tax Act* (Canada). Pursuant to the *Territorial Court Judiciary Pension Plan Act* (Yukon), the pension fund assets for these two plans are held separate and distinct from the Government's operations, and are managed by an investment manager.

The supplementary judiciary pension plan is supplemental to benefits provided under the judiciary registered pension plan and the judiciary retirement compensation arrangement. The *Territorial Court Judiciary Pension Plan Act* (Yukon) stipulates that no contributions are to be made to this plan, and no fund is to be maintained for the plan. In this plan, the annual amount of pension payable to a member equals 3% of the average annualized pensionable earnings of a member over the 24 months during which pensionable earnings are highest multiplied by the number of years of credited service, subject to a maximum of 70% of those earnings, minus actual benefits accumulated under the judiciary registered pension plan and the judiciary retirement compensation arrangement.

Actuarial valuations for the Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2008.

(d) Yukon College Employees' Pension Plan

The Yukon College Employee's Pension Plan is a contributory defined benefit pension plan. The College's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings. For any unfunded pension liability, the College is contributing the balance of the costs of the plan as determined by the actuary. The College has contracted with external organizations to provide the services of trustee, administrator, and investment manager for the pension plan.

The College's pension information included in these consolidated financial statements is based on the measurement date of June 30, 2009. An actuarial valuation for accounting purposes was performed as of June 30, 2009. The next actuarial valuation for accounting purposes will be performed as of June 30, 2010. An actuarial valuation for funding purposes was performed as of June 30, 2007, which established Yukon College's required contributions as 246% of employee contributions. The next actuarial valuation for funding purposes will be performed as of June 30, 2010.

The College had a funded status of $1,976,000 surplus at the measurement date determined on a going concern basis. As at June 30, 2007, the pension plan had a surplus of $2.7 million if valued on the basis that the pension plan was terminated/wound up as at June 30, 2007. Since the solvency ratio of the plan was 106% at June 30, 2007, there is no solvency shortfall. The Government has provided a funding commitment to the College to cover increased pension costs up to 2016 to a maximum of $2,240,000.

(e) Yukon Hospital Corporation Employees' Pension Plan

The Yukon Hospital Corporation Employees' Pension Plan is a contributory defined benefit pension plan, which provides defined retirement benefits based on the length of service and final average earnings of an employee, and is administered by the Corporation's Board of Trustees. A separate pension fund is maintained to hold plan assets. The Yukon Hospital Corporation has contracted with external organizations to provide trustee and investment management services for the fund.

The Yukon Hospital Corporation adopted a measurement date of December 31 in respect of its pension obligations. Consequently, both benefit obligations and plan assets are measured as of December 31 for presentation in the financial statements as of March 31. An actuarial valuation for accounting purposes was performed as of December 31, 2009. The funded status of the pension plan, which was a deficit of $614,000, presented in these financial statements has been determined on the basis that the pension plan remains a going-concern. The pension plan had a deficit of $12.0 million if valued on the basis that the pension plan were terminated as at December 31, 2009.

The solvency ratio of the plan is 79%. Since it is less than 100%, to be in accordance with the *Federal Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments to eliminate the solvency shortfall. The payments have been actuarially determined as quarterly payments of $413,000 per year over five years starting in 2010. During the fiscal year 2009/2010, the Corporation contributed $4,113,000 to the plan, of which $1,980,000 related to solvency deficiency payments for 2009. Also during the fiscal year, the Government contributed $1,943,000 to fund these payments.

(f) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2010 is based on an extrapolation of an actuarial valuation conducted as at April 1, 2007. An actuarial valuation as at March 31, 2010 is currently in progress. The information from this valuation will be reflected in the financial statements for the year ended March 31, 2011. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The accrued benefit liability for the above retirement benefits as of March 31, 2010 was as follows:

	2010	2009
	(thousands of dollars)	
Accrued benefit liability (asset) (Schedule D)		
Extended health care retirement benefit	$ 25,164	$ 23,364
Territorial Court Judiciary Pension Plan	3,881	3,742
Life insurance retirement benefit	1,131	1,083
Legislative Assembly Retirement Allowances Plan	(1,159)	(1,581)
Yukon College Employees' Pension Plan	(6,654)	(5,943)
Yukon Hospital Corporation Employees' Pension Plan	(6,833)	(4,763)
	$15,530	$ 15,902

15. Long-term debt

	2010	2009
	(thousands of dollars)	
Mortgages, with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rates ranging from 2.65% to 12.50%.	$ 13,444	$ 14,598
Demand construction facility loan payable to Canadian Imperial Bank of Commerce, to be used for financing the costs of the new staff residence and medical services facility with estimated costs of up to $17 million. Interest is calculated at prime rate per annum, payable in advance. The demand construction loan will be repaid in full from the proceeds of the demand term instalment loan upon substantial completion of the facility, which is projected to be January 2011.	4,252	-
Canada Mortgage and Housing Corporation loans, repayable in blended annual payments with maturities up to the year 2028, bearing fixed interest rates ranging from 5.00% to 13.25%.	2,928	3,228
Flexible term note payable to the Yukon Development Corporation, bearing interest rate at 7.5% repayable in annual instalments, based on the annual energy savings realized, secured by a general security agreement on building improvements with a net book value of $387,000 (2009 - $417,000).	208	278
	$ 20,832	$ 18,104

Notes to Consolidated Financial Statements
March 31, 2010

Principal repayment requirements over the next five years on outstanding long-term debt are as follows:

	(thousands of dollars)
2011	$ 5,886
2012	1,671
2013	1,718
2014	1,770
2015	1,857
Thereafter	7,930
	$ 20,832

Debt authority

Effective May 1, 2009, the Government of Canada, pursuant to subsection 23(2) of the *Yukon Act* (Canada), approved the Government's maximum borrowing be increased from $138 million to $300 million.

	2010	2009
	(thousands of dollars)	
Debt of the consolidated entities:		
Government business enterprises		
Yukon Development Corporation, long-term debt	$ 34,200	$ 32,743
Fully consolidated entities		
Yukon Housing Corporation, mortgages payable	13,444	14,598
Yukon Hospital Corporation, CIBC demand construction loan	4,252	-
Yukon Housing Corporation, CMHC loans	2,928	3,228
	20,624	17,826
Total debt	54,824	50,569
Credit facilities	28,500	28,500
Authorized borrowing limit	300,000	138,000
Available borrowing capacity	$ 216,676	$ 58,931

16. Capital lease obligations

	2010	2009
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2013, with imputed interest rate of 13.5%.	$ 1,517	$ 1,930
Building lease obligation payable monthly until the year 2012, with imputed interest rate of 11.0%. The building is to be transferred to the Government for $1.00 at the end of the lease term.	970	1,609
Building lease obligation payable monthly until the year 2011, with imputed interest rate of 13.3%.	145	340
	$ 2,632	$ 3,879

Interest expense related to capital lease obligations for the year was $404,000 (2009- $546,000) at an imputed average interest rate of 12.6% (2009 – 12.6%).

The following is a schedule of future minimum lease payments under the capital lease obligations.

	(thousands of dollars)
2011	$ 2,043
2012	1,273
2013	755
2014	-
2015	-
Total minimum lease payments	4,071
Less: amount representing executory costs	(859)
amount representing rental of land	(210)
amount representing interest	(370)
	$ 2,632

17. Financial instruments

The balances in cash and cash equivalents, temporary investments, due to/from Government of Canada, accounts receivable, and accounts payable and accrued liabilities are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

The fair value and the methods of calculation and assumptions used for the Government's long-term financial instruments are detailed below:

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Portfolio investments				
Master Asset Vehicle II	$ 25,592	$ 28,815	$ 24,114	$ 21,960
Loans receivable				
Mortgages receivable, net of valuation allowance	$ 38,689	$ 38,087	$ 42,789	$ 29,721
Other loans receivable, net of valuation allowance	15,530	15,447	21,424	21,524
	$ 54,219	$ 53,534	$ 64,213	$ 51,245
Long-term debt				
Mortgages payable	$ 13,444	$ 13,887	$ 14,598	$ 15,013
Demand construction loan	4,252	4,201	-	-
CMHC loans	2,928	3,154	3,228	3,674
Other	208	245	278	374
	$ 20,832	$ 21,487	$ 18,104	$ 19,061

The estimated fair value for portfolio investments is calculated using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

Since the above valuation approach and assumptions are based on market information available at March 31, 2010, the fair value of portfolio investments may change materially in future periods as a result of fluctuations in the major elements of the valuation methodology. These changes are, however, not expected to result in a significant impact on the Government's future operations.

The estimated fair values of mortgages receivable were determined using the present value of future cash flows discounted at the March 31, 2010 average market rate for mortgages and loans with similar maturities. Until settled, the fair value of mortgages will fluctuate based on changes in interest rates. The Government believes that unrealized losses are short term in nature and the carrying amount of mortgages will be fully recovered.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of other loans receivable due to the nature of these loans. The carrying value of these loans receivable should not be seen as the realizable value on immediate settlement of the loans due to the uncertainty associated with such a settlement.

The estimated fair value for long-term debt is calculated by discounting the expected future cash flows at year-end market interest rates for equivalent terms to maturity.

18. Tangible capital assets

	2010 Net Book Value	2009 Net Book Value
	(thousands of dollars)	
Land	$ 9,391	$ 9,211
Buildings	353,426	307,165
Equipment and vehicles	38,258	35,553
Computer hardware and software	13,234	11,929
Transportation infrastructure	616,558	593,856
Other	34,202	20,328
(Schedule C)	$ 1,065,069	$ 978,042

The Government owns and/or maintains various historical sites. The Government also holds works of art with a total estimated value of $5.5 million (2009 - $4.9 million).

Leased capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was $635,000 (2009 - $635,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2010	2009
	(thousands of dollars)	
Buildings (cost)	$ 8,820	$ 8,820
Less accumulated amortization	(4,444)	(3,809)
	$ 4,376	$ 5,011

No interest was capitalized during the year.

19. Deferred capital contributions

Where the fair value has been capitalized for tangible capital assets that were transferred from a third party such as the Government of Canada, an offset is recorded as a deferred capital contribution. Funding received from a third party for the acquisition, development, construction or betterment of tangible capital assets is also treated as a deferred capital contribution. The most significant of these assets are highways, bridges and airport infrastructure. The deferred capital contribution is recognized as revenue over the useful life of the related asset.

	2010	2009
	(thousands of dollars)	
Deferred capital contributions, beginning of year	$ 531,917	$ 506,365
Add: Assets transferred or funded during the year	58,044	41,682
Less: Amortization	(17,632)	(16,134)
Write-down	(40)	4
Deferred capital contributions, end of year (Schedule C)	$ 572,289	$ 531,917

20. Expenses by object

	2010	2009
	(thousands of dollars)	
Personnel	$ 412,533	$ 379,906
Contract and special services	162,728	131,066
Transfer payments	151,930	140,623
Materials, supplies and utilities	89,989	86,043
Amortization expenses	43,578	39,852
Communication and transportation	35,141	28,495
Interest on long-term debt and capital lease obligations	1,767	2,040
Other	26,582	29,554
	$ 924,248	$ 837,579

21. Trust assets

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year-end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. The remaining trust assets are invested primarily in long-term bonds, bankers' acceptances, bearer's deposit notes and the Government of Canada treasury bills.

Investments are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2010	2009
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 144,833	$ 129,219
Federal Gas Tax Funds under the New Deal	18,633	13,963
Forest Sector Fund	5,221	5,175
Water Resources Bonds	3,846	2,516
Crime Prevention and Victim Services	3,827	3,498
Land Title Office – Assurance Fund	3,498	3,349
Lottery Commission	2,751	2,838
Historic Resources Trust Fund	1,216	1,230
Public Guardian Trust	1,048	935
Other	2,987	2,352
	$ 187,860	$ 165,075

22. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2010:

	Expiry Date	2011	2012 – 2025	Total
		(thousands of dollars)		
Capital projects				
- in progress at March 31, 2010	2019	$ 55,235	$ 38,197	$ 93,432
(recoverable amount)		(27,488)	(7,929)	(35,417)
Mobile radio network system	2025	1,522	50,478	52,000
RCMP policing agreement	2012	20,257	20,865	41,122
Miscellaneous operational commitments	2014	13,084	3,192	16,276
Building/office space leases	2016	8,034	7,693	15,727
Faro mine site	2012	7,773	7,283	15,056
(recoverable amount)		(7,773)	(7,283)	(15,056)
		$ 70,644	$ 112,496	$ 183,140

23. Overexpenditure

During the year, one (2009 – three) department exceeded their vote with a total of $3,700,000 (2009 - $1,973,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The vote that was overexpended is as follows:

	(thousands of dollars)
Operation and maintenance	
Health and Social Services	$ 3,700

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, two (2009 – two) departments exceeded the authorized amounts as follows:

Operations and maintenance grants	
Health and Social Services	
- Medical travel subsidies	269
- Child care subsidies	215
- Adoption subsidies	43
Education	
- Student accommodation (boarding subsidy)	15

24. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Energy Corporation, the wholly-owned subsidiary of the Yukon Development Corporation, of $6.5 million (2009 - $7.0 million). At March 31, 2010, on a consolidated basis, the Yukon Development Corporation had total debts of $34.2 million (2009 - $32.7 million) and a credit facility of up to $17.5 million. While the Government has not issued guarantees for all of these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government. It is expected that no significant costs will be incurred by the Government with respect to these guarantees and debts.

25. Land claims

Between February 1995 and March 31, 2010, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

The bilateral funding agreement with the Government of Canada that had been in place since June 24, 1993 and which provided funding towards the Government's additional implementation costs expired on March 31, 2009. However there are no additional costs for the Government, as all of the existing funding commitments are captured elsewhere, either through a specific funding agreement with the Government of Canada or as a component of the base funding received by the Government. The specific implementation costs include Board and Council funding arising from the various Final Agreement Implementation Plans and other negotiated funding amounts.

The Government incurred expenses of $4.6 million during the year (2009 - $5.0 million) with cumulative expenditures of approximately $58.5 million (2009 - $55.2 million), of which $57.4 million (2009 - $55.1 million) was funded by the Government of Canada.

26. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2010 the Government estimated the total claimed amount, excluding the claim from the Commission scolaire francophone du Yukon which is described below, to be about $1.9 million (2009 - $3.1 million). No provision for claims has been made in these financial statements as it is not likely that any future event will confirm that a liability has been incurred at the date of the financial statements.

In the Statement of Claim filed by the Commission scolaire francophone du Yukon (CSFY) in 2009, the Government was named as defendant. Among its claims for the exclusive management and control of resources for French language schooling, CSFY is seeking payment in the amount of $2.9 million as it claims that the Government breached previous years' contribution agreements and funding obligations. The claim amount also includes damages for infringing language rights. It is expected that the court's ruling on the claims will be made sometime in 2011. No provision for these claims has been made in these financial statements as the likelihood that the Government has incurred a liability at the date of the financial statements is undeterminable.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of $5 million, which is to be used for providing insurance and risk management services to Government departments. Any expenses relating to property and liability losses incurred by the Government are to be paid out of this fund. The Government carries no insurance policy for its property losses, but carries a legal liability insurance policy with a $2 million deductible. In 2009/2010, the Government paid $220,000 (2009 - $397,000) for general liability claims such as bodily injury and property damage and automobile liability. The Government had unpaid claims against the fund in the amount of $1,057,000 as at March 31, 2010 (2009 - $1,133,000). This amount is reported as part of the Government's accrued liabilities. The fund balance as at March 31, 2010 was $4.2 million (2009 - $3.9 million).

27. Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible.

The *Environment Act* (Yukon) – *Solid Waste Regulations* include requirements for closure and abandonment of a dump. There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2010, a liability in the amount of $535,000 (2009 - $535,000) has been recorded for these sites using the method recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board.

In addition to the above landfill sites, as at March 31, 2010, the Government was aware of 41 sites (2009 – 38 sites) where the Government is obligated or is likely obligated to incur such costs. Of the 41 sites, 10 are airports and 21 are highway maintenance camps, the majority of which have been investigated but are still awaiting full environmental assessment. Quantifiable portions of remediation costs for some of the sites that are known to be contaminated are currently estimated at $7,106,000 (2009 - $6,789,000), which has been recorded as a liability and reported as part of accrued liabilities. As estimates are based on the information available as of the financial statement date, those amounts could result in material changes from one year to the next. The Government estimates the contingent environmental liabilities for the sites that are awaiting assessments to be another $3.4 million (2009 - $2.1 million). The Government is committed to assessing all sites in a systematic manner.

One site on the Commissioner's Land has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a Responsible Party for this site. The Government of Canada was the landowner when the contamination occurred. On September 7, 2010, the Government and the Government of Canada entered into an agreement to remediate the site over 10 years with a total estimated cost of $6.8 million, of which the Government is to fund 30% or $2 million and the Government of Canada $4.8 million.

Pursuant to the Devolution Transfer Agreement, the Government of Canada retained responsibility for the clean-up of waste sites that were identified on lands transferred effective April 1, 2003. The Government of Canada also accepted financial responsibility for the remediation of impacts attributable to activities that took place prior to April 2003 on the mine sites identified as Type II sites, where they have been abandoned by their owner/operator. The Government is not aware of any financial obligations in relation to these mine sites.

28. Related parties

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	2010	2009
	(thousands of dollars)	
Transfer payments		
Yukon Arts Centre Corporation	$ 1,645	$ 904
Yukon Legal Services Society	1,642	1,766
Yukon Human Rights Commission	539	479
	$ 3,826	$ 3,149

29. Subsequent events

Subsequent to the financial statement date, in June 2010, the Government provided its consent for the Yukon Hospital Corporation to borrow up to $50 million for the construction of the Watson Lake Hospital and the Dawson City Hospital. The Government indicated its plan to assist the Yukon Hospital Corporation to fund, upon project completion, additional net annual costs incurred by the Corporation as a result of financing these projects. The Yukon Hospital Corporation plans to rent out approximately 1/3 of each of the new building space in order to offset additional costs.

Additional subsequent events are disclosed in Note 10(d) and Note 27.

30. Comparative figures

Certain comparative figures for 2009 have been reclassified to conform with the 2010 presentation.

GOVERNMENT OF YUKON

Schedule A

Consolidated Schedule of Revenues by Source for the year ended March 31, 2010

	2010		2009
	Budget (Note 1(b))	Actual	Actual
	(thousands of dollars)		
From Government of Canada			
Formula Financing grant	$ 611,707	$ 611,707	$ 564,032
Other grants	71,208	44,170	49,168
Contributions and service agreements	70,414	76,708	69,275
	753,329	732,585	682,475
Taxes and general revenues			
Income taxes	62,472	63,440	66,340
Other taxes	27,065	26,996	25,424
Licences, permits and fees	9,332	12,550	11,016
Investment and interest revenue	4,608	4,017	3,681
Gain on sale of lots	150	1,389	1,467
Income from portfolio investments	-	1,545	266
Hospital revenues	2,927	865	-
Aviation operations	869	826	860
Oil and gas resource revenue	715	444	1,193
Fines	408	393	306
Other revenues	877	1,389	516
	109,423	113,854	111,069
Income from investment in government business enterprises			
Yukon Liquor Corporation	7,229	7,301	6,777
Yukon Development Corporation	-	9,974	762
Yukon Government Fund Limited	-	-	(48)
	7,229	17,275	7,491
Funding and service agreements with other parties	28,224	24,336	26,727
Amortization of deferred capital contributions	17,563	17,631	16,134
	$ 915,768	**$ 905,681**	**$ 843,896**

GOVERNMENT OF YUKON

Schedule B

Consolidated Schedule of Operations by Sector for the year ended March 31, 2010

(thousands of dollars)

	Health and Social Services		Community and Transportation		Education		General Government [1]		Natural Resources	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenues										
Formula financing grant	$ -	$ -	$ -	$ -	$ -	$ -	$ 611,707	$ 564,032	$ -	$ -
Other transfers from Government of Canada	26,688	26,621	17,768	9,212	8,495	6,350	43,444	62,882	21,865	10,702
Taxes and general revenues	3,463	2,284	15,436	13,450	1,919	1,524	90,202	89,216	4,622	5,942
Funding and service agreements	6,760	6,955	12,886	15,198	10,708	9,021	1,527	1,665	840	838
Amortization of deferred capital contributions	2,535	2,266	14,352	13,327	197	197	366	331	181	13
Income from investment in government business enterprises	-	-	9,974	762	-	-	7,301	6,729	-	-
	39,446	38,126	70,416	51,949	21,319	17,092	754,547	724,855	27,508	17,495
Expenses										
Personnel	105,458	95,005	52,771	50,063	98,132	93,459	82,433	72,362	39,226	36,259
Other	93,787	89,647	80,049	65,019	36,564	36,295	26,526	27,283	36,529	25,269
Transfer payments	62,480	50,666	48,162	51,509	17,136	14,368	7,952	7,782	7,555	7,184
Amortization expenses	6,092	5,261	25,669	23,401	6,065	6,043	3,425	3,330	494	343
Interest on long-term debt and capital lease obligations	21	30	1,342	1,464	-	-	404	546	-	-
	267,838	240,609	207,993	191,456	157,897	150,165	120,740	111,303	83,804	69,055
Recovery of prior years' expenses	127	82	1,226	90	189	1	594	293	30	121
(Deficit) surplus for the year	**$ (228,265)**	**$ (202,401)**	**$ (136,351)**	**$ (139,417)**	**$ (136,389)**	**$ (133,072)**	**$ 634,401**	**$ 613,845**	**$ (56,266)**	**$ (51,439)**

[1] Includes the legislature, tax collection and administration, Formula Financing and other grants from the federal government, liquor profits, general administration and central agency services such as building maintenance, Public Service Commission, finance and IT services to all sectors.

GOVERNMENT OF YUKON

Schedule B
Continued

Consolidated Schedule of Operations by Sector
for the year ended March 31, 2010

	Justice		Business, Tourism and Culture		Adjustments [2]		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	(thousands of dollars)							
Revenues								
Formula financing	$ -	$ -	$ -	$ -	$ -	$ -	$ 611,707	$ 564,032
Other transfers from Government of Canada	1,628	1,863	990	813	-		120,878	118,443
Taxes and general revenues	699	708	184	183	(2,671)	(2,238)	113,854	111,069
Funding and service agreements	476	480	323	351	(9,184)	(7,781)	24,336	26,727
Amortization of deferred capital contributions	-	-	-	-	-	-	17,631	16,134
Income from investment in government business enterprises	-	-	-	-	-	-	17,275	7,491
	2,803	3,051	1,497	1,347	(11,855)	(10,019)	905,681	843,896
Expenses								
Personnel	21,550	20,223	12,963	12,535	-	-	412,533	379,906
Other	31,284	23,502	11,473	10,992	(1,772)	(2,849)	314,440	275,158
Transfer payments	4,332	4,350	14,396	11,934	(10,083)	(7,170)	151,930	140,623
Amortization expenses	1,152	821	681	653	-	-	43,578	39,852
Interest on long-term debt and capital lease obligations	-	-	-	-	-	-	1,767	2,040
	58,318	48,896	39,513	36,114	(11,855)	(10,019)	924,248	837,579
Recovery of prior years' expenses	9	43	183	182	-	-	2,358	812
(Deficit) surplus for the year	**$ (55,506)**	**$ (45,802)**	**$ (37,833)**	**$ (34,585)**	**$ -**	**$ -**	**$ (16,209)**	**$ 7,129**

[2] To eliminate transactions between sectors.

GOVERNMENT OF YUKON

Schedule C

Consolidated Schedule of Tangible Capital Assets for the year ended March 31, 2010

(thousands of dollars)

	Land	Buildings	Equipment and Vehicles	Computer Hardware and Software	Transportation Infrastructure	Other[1]	2010 Total	2009 Total
Cost of tangible capital assets, opening	$ 9,211	$ 538,202	$ 92,766	$ 36,560	$ 790,042	$ 24,836	$ 1,491,617	$ 1,427,204
Acquisitions	203	63,405	9,049	3,916	40,168	14,460 [3]	131,201	71,296
Write-downs	(23)	(254)	(2)	(108)	-	-	(387)	-
Disposals	-	(363)	(4,190)	(96)	(300)	-	(4,949)	(6,883)
Cost of tangible capital assets, closing	9,391	600,990	97,623	40,272	829,910	39,296 [3]	1,617,482	1,491,617
Accumulated amortization, opening	-	231,037	57,213	24,631	196,186	4,508	513,575	479,459
Amortization expense	-	16,785	6,238	2,503	17,466	586	43,578	39,852
Disposals	-	(258)	(4,086)	(96)	(300)	-	(4,740)	(5,736)
Accumulated amortization, closing	-	247,564	59,365	27,038	213,352	5,094	552,413	513,575
Net book value (Note 18)	**$ 9,391**	**$ 353,426**	**$ 38,258**	**$ 13,234**	**$ 616,558**	**$ 34,202** [3]	**$ 1,065,069**	**$ 978,042**
Work-in-progress [2]		$ 69,854	$ -	$ 4,794	$ 35,103	$ 20,263 [3]	$ 130,014	$ 64,362
Deferred capital contributions (Note 19)		$ 71,938	$ 6,169	$ 2,139	$ 478,688	$ 13,355 [3]	$ 572,289	$ 531,917

[1] Includes portable classrooms, land improvements and fixtures.

[2] Included in net book value.

[3] Includes $4.4 million of work-in-progress and $2.9 million of deferred capital contributions for a sewage treatment plant, which the Government plans to transfer to the Town of City of Dawson once it is completed.

GOVERNMENT OF YUKON

Schedule D

Consolidated Schedule of Retirement Benefits
for the year ended March 31, 2010

(thousands of dollars)

Pension and retirement plan assets are valued at fair market value.

							2010	2009
	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	Yukon College Employees' Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Total	Total
Accrued benefit obligation								
Obligation at beginning of year	$ 20,664	$ 5,921	$ 22,439	$ 1,263	$ 41,257	$ 37,449	$ 128,993	$ 135,030
Current service costs	1,095	309	940	29	3,241	2,439	8,053	8,659
Past service cost	-	-	-	-	-	-	-	(5,545)
Interest cost on benefit obligation	1,354	397	1,333	72	2,414	2,519	8,089	7,782
Actuarial (gain) loss	-	(156)	-	-	(3,348)	3,548	44	(11,669)
Benefits paid	(775)	(190)	(384)	(77)	(1,783)	(1,324)	(4,533)	(5,264)
Accrued benefit obligation at end of year	$ 22,338	$ 6,281	$ 24,328	$ 1,287	$ 41,781	$ 44,631	$ 140,646	$ 128,993
Plan assets								
Value at beginning of year	$ 20,825	$ 3,084	$ -	$ -	$ 47,353	$ 34,205	$ 105,467	$ 115,188
Actual return on plan assets	3,802	529	-	-	(4,900)	6,035	5,466	(11,204)
Employer contributions	722	190	384	77	2,235	4,307	7,915	6,158
Member contributions	144	57	-	-	851	948	2,000	1,821
Transfers	-	-	-	-	-	-	-	(1,025)
Benefits paid	(775)	(190)	(384)	(77)	(1,783)	(1,324)	(4,533)	(5,264)
Actual plan expenses	-	-	-	-	-	(154)	(154)	(207)
Value at end of year	$ 24,718	$ 3,670	$ -	$ -	$ 43,756	$ 44,017	$ 116,161	$ 105,467
Funded status - plan deficit (surplus)	$ (2,380)	$ 2,611	$ 24,328	$ 1,287	$ (1,976)	$ 614	$ 24,484	$ 23,526
Unrecognized net actuarial gain (loss)	1,221	1,270	836	(156)	(4,518)	(5,704)	(7,051)	(5,288)
Unrecognized past service costs	-	-	-	-	(160)	(434)	(594)	(833)
Employer contribution made after measurement date	-	-	-	-	-	(1,309)	(1,309)	(1,503)
Accrued benefit liability (asset) (Note 14)	$ (1,159)	$ 3,881	$ 25,164	$ 1,131	$ (6,654)	$ (6,833)	$ 15,530	$ 15,902

GOVERNMENT OF YUKON

Schedule D
Continued

Consolidated Schedule of Retirement Benefits for the year ended March 31, 2010

							2010	2009
	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	Yukon College Employees' Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Total	Total
				(thousands of dollars)				
Net benefit cost								
Current service costs	$ 1,095	$ 309	$ 940	$ 29	$ 3,241	$ 2,597 [1]	$ 8,211	$ 8,798
Less: Member contributions	(144)	(57)	-	-	(851)	(948)	(2,000)	(1,821)
Past service cost	-	-	-	-	-	157	157	(5,388)
Interest cost on benefit obligation	1,354	397	1,333	72	2,414	2,519	8,089	7,782
Expected return on plan assets	(1,356)	(202)	-	-	(3,360)	(2,526)	(7,444)	(8,017)
Amortization of past service costs	-	-	-	-	81	-	81	81
Amortization of net actuarial (gain) loss	195	(118)	(89)	24	-	244	256	(343)
Net cost for the year	$ 1,144	$ 329	$ 2,184	$ 125	$ 1,525	$ 2,043	$ 7,350	$ 1,092
Assumptions								
Expected long-term rate of return on assets	6.5%	6.5%	N/A	N/A	7.0%	7.0%		
Discount rate on accrued benefit obligation	6.5%	6.5%	5.75%	5.75%	6.25%	6.0%		
Inflation	2.5%	2.5%	N/A	N/A	2.0%	2.5%		
Rate of compensation increase	2.5%	3.0%	N/A	see below [2]	4.25%	3.0%		
Health care cost trend rate	N/A	N/A	see below [3]	N/A	N/A	N/A		
Amortization period (expected average remaining service life)	8.5 years	7.7 years	10.4 years	7.6 years	8.1 years	8.7 years		

[1] Includes $158,000 for provision of administrative expenses.

[2] 1.2% on June 1, 2009, 2.5% per annum thereafter.

[3] 12.0% per annum, grading down annually by 1.4% per annum to 5.0% per annum and remaining at that level therafter.

PART THREE

NON-CONSOLIDATED FINANCIAL STATEMENTS

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SECTION I

GOVERNMENT OF YUKON

FINANCIAL STATEMENTS

(unaudited)

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GOVERNMENT OF YUKON

Statement of Financial Position
as at March 31, 2010

	2010	2009
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 3)	$ 64,664	$ 67,293
Temporary investments (Note 4)	57,184	109,376
Due from Government of Canada (Note 5)	62,627	60,426
Accounts receivable (Note 6)	17,686	15,651
Portfolio investments (Note 7)	25,592	24,114
Advances to Territorial corporations (Note 8)	51,705	26,821
Loans receivable (Note 9)	17,435	29,056
Land held for sale (Note 10)	13,013	5,803
	309,906	338,540
Liabilities		
Due to Government of Canada (Note 5)	20,314	17,106
Accounts payable and accrued liabilities (Note 11)	91,263	74,184
Unearned revenues (Note 12)	34,602	22,116
Post-employment benefits (Note 13)	64,611	59,103
Retirement benefits (Note 14)	29,017	26,608
Capital lease obligations (Note 15)	2,632	3,879
	242,439	202,996
Net financial resources	**67,467**	**135,544**
Non-financial assets		
Tangible capital assets (Note 17)	978,130	907,788
Less: Deferred capital contributions (Note 18)	(531,942)	(503,640)
Inventories of supplies	6,002	5,729
Prepaid expenses	1,915	1,826
	454,105	411,703
Accumulated surplus	**$ 521,572**	**$ 547,247**

Contingencies, commitments, contractual obligations and guarantees
(Notes 21, 22, 24, 25, 26 and 27)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

Approved:

David Hrycan

David Hrycan, FCMA
Deputy Minister of Finance

Dennis Fentie
Minister of Finance

GOVERNMENT OF YUKON

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2010

	2010		2009
	Main Estimates (Note 1(b)) (Schedule E)	Actual	Actual
		(thousands of dollars)	
Revenues (Schedule A)			
From Government of Canada			
Formula Financing grant	$ 611,707	$ 611,707	$ 564,032
Other grants	71,208	44,170	49,168
Contributions and service agreements	64,823	67,525	62,179
Taxes and general revenues	109,754	116,602	114,348
Funding and service agreements with other parties	18,844	17,761	21,912
Amortization of deferred capital contributions	16,875	15,878	14,755
	893,211	873,643	826,394
Expenses (Note 19 and Schedule B)	873,823	900,540	825,838
Recovery of prior years' expenses	-	1,222	812
Surplus (deficit) for the year	$ 19,388	(25,675)	1,368
Accumulated surplus at beginning of year		547,247	545,879
Accumulated surplus at end of year		$ 521,572	$ 547,247

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF YUKON

Statement of Change in Net Financial Resources
for the year ended March 31, 2010

	2010		2009
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus (deficit) for the year	$ 19,388	$ (25,675)	$ 1,368
Effect of change in tangible capital assets			
Acquisitions	(89,883)	(106,935)	(64,194)
Capital contributions received and deferred	23,596	44,220	39,264
Amortization of tangible capital assets	34,488	36,356	34,352
Amortization of deferred capital contributions	(16,875)	(15,878)	(14,755)
(Gain) loss on disposal of tangible capital assets	-	(138)	858
Proceeds on disposal of tangible capital assets	-	242	190
Write-down of tangible capital assets	-	133	-
Write-down of deferred capital contributions	-	(40)	4
	(48,674)	(42,040)	(4,281)
Effect of change in other non-financial assets			
Increase in inventories of supplies	-	(273)	(1,376)
Increase in prepaid expenses	-	(89)	(251)
	-	(362)	(1,627)
Decrease in net financial resources	$ (29,286)	(68,077)	(4,540)
Net financial resources at beginning of year		135,544	140,084
Net financial resources at end of year		$ 67,467	$ 135,544

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF YUKON

Statement of Cash Flows
for the year ended March 31, 2010

	2010	2009
	(thousands of dollars)	
Operating transactions		
Cash received from:		
Government of Canada	$ 735,915	$ 704,392
Taxes and general revenues	113,573	109,765
Funding and service agreements with other parties	18,312	23,487
Interest from investments and loans	2,349	4,969
	870,149	842,613
Cash paid for:		
Salary, wages and benefits	346,836	330,896
Transfer payments	217,841	209,359
Other expenses	277,818	242,494
Interest on loans and capital leases	404	546
	842,899	783,295
Cash provided by operating transactions	27,250	59,318
Capital transactions		
Acquisition of tangible capital assets	(101,863)	(63,417)
Contributions received for acquisition	39,775	33,332
Proceeds on sale of tangible capital assets	242	190
Cash used for capital transactions	(61,846)	(29,895)
Investing transactions		
Decrease in temporary investments	52,192	8,625
Decrease in portfolio investments	50	1,622
Investment in land held for sale	(7,931)	(6,627)
Proceeds from sale of land held for sale	13,388	1,438
Advances to Territorial corporations	(25,334)	-
Repayment of advances from Territorial corporations	450	450
Loans advanced	(937)	(1,061)
Loans repaid	1,336	936
Cash provided by investing transactions	33,214	5,383
Financing transactions		
Repayment of capital lease obligations	(1,247)	(1,105)
Cash used for financing transactions	(1,247)	(1,105)
(Decrease) increase in cash and cash equivalents	**(2,629)**	**33,701**
Cash and cash equivalents at beginning of year	67,293	33,592
Cash and cash equivalents at end of year (Note 3)	**$ 64,664**	**$ 67,293**

The accompanying notes and schedules are an integral part of these non-consolidated financial statements

1. Authority and operations

(a) Authority

The Government of Yukon (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

(b) Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2009. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, the Government of Canada or a province;
- fixed deposits, notes, certificates and other short-term paper of, or guaranteed by, a bank including swapped deposit transactions in the currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of the Government of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

2. Significant accounting policies

(a) Financial statements

These financial statements are prepared on a non-consolidated basis for the purpose of determining the financial resources realistically available to the Government to meet its program responsibilities.

The Government also prepares a set of consolidated financial statements following the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007/2008 to 2013/2014, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007,* restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are received in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfers are made in the year they are known.

The Government receives funds from the Government of Canada and other sources under various transfers including infrastructure funding such as the reconstruction of the Alaska Highway. These capital transfers are made for the purpose of acquiring assets that will provide government services for many years in the future. As a result, revenues are recognized in the year in which the related expenses are incurred. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance's best estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are final. The Government recognizes income tax revenues based on the estimates made by the Government of Canada, adjusted for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Fuel and tobacco taxes are levied under the authority of the *Fuel Oil Tax Act* (Yukon) and the *Tobacco Tax Act* (Yukon). Revenues are recognized based on the statements received from collectors and estimates. Adjustments from reassessments are recorded in revenue in the year they are identified.

Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when authorized and recipients have met eligibility criteria.

Recovery of prior years' expenses includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for the current year.

Assets

Financial assets

Cash and cash equivalents include cash on hand, balances with banks, funds held in trust accounts on behalf of the Government, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Temporary investments include bankers' acceptances, provincial treasury bills and promissory notes and Government of Canada treasury bills with terms of maturity of more than 90 days but less than one year from the date of acquisition. When the market value of temporary investments has declined below the carrying value, they are carried at market value.

Portfolio investments are long-term investments and accounted for by the cost method. Any discount or premium arising on purchase is amortized over the period to maturity, and the carrying value of the investment is adjusted systematically, during the period it is held, toward the amount expected to be realized at maturity. The Government periodically re-estimates the expected cash flows, and any impact from changes is recorded as part of the discount or premium amortization and is included in investment income. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. The loan receivable is reduced by the amount of a loss when the amount is known with sufficient precision, and there is no realistic prospect of recovery. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to net recoverable value to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale.

Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets.

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, and highway materials that are tracked through revolving funds. Inventories are valued at the lower of cost and replacement value. These assets are not held for sale and are intended to be used in providing government services. Other materials and supplies are expensed at the time of acquisition.

Liabilities

Liabilities include financial claims payable by the Government and unearned revenues.

Unearned revenues are cash received for which goods and services have not been provided by year-end, and are primarily comprised of motor vehicle licence fees for the following fiscal years and transfer payments from the Government of Canada, which have not yet been expended in accordance with funding agreements.

Capital lease obligations are recorded with a corresponding asset at the lower of the present value of the minimum lease payments, excluding the portion relating to executory costs, and the fair value of the asset. The present value is based on the Government's borrowing rate at the time the obligation is incurred.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed.

(c) Tangible capital assets

Tangible capital assets are buildings, roads, equipment, and other items, whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services. These assets are recorded at cost, or fair value if donated. For certain tangible capital assets that have previously been transferred from the Government of Canada or where the original costs are not readily available, estimated costs have been extrapolated back in time in a systematic and rational manner to approximate the appropriate transfer value of the assets at the time of transfer.

Transferred and cost-shared tangible capital assets are recorded upon acquisition with an offsetting deferred capital contribution that represents the value of the contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on a straight-line basis over their estimated useful life.

The value of works of art, historical treasures, all intangibles and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. The existence of historical treasures and the total estimated value of works of art are disclosed in Note 17 of these financial statements.

Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives:

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Land improvements and fixtures	$50,000	up to 50 years
Buildings	$50,000	40 - 50 years
Portable classrooms/housing trailers	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 20 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Mobile radio system infrastructure	$100,000	15 years
Leasehold improvements	$50,000	Shorter of the lease term or useful economic life
Sewage and water systems	$50,000	50 years
Forestry access roads	$50,000	10 years
Highways	$250,000	30 - 50 years
Pavement	$250,000	26 years
Bridges	$250,000	30 - 50 years
Airport runways	$50,000	26 - 50 years

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service.

(d) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these plans is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

(e) Retirement benefits

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Government is not currently required to make contributions with respect to any actuarial deficiencies of the pension plan. Other retirement benefits include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. Liabilities for these benefits are valued on an actuarial basis.

Retirement benefits to Members of the Legislative Assembly and territorial court judges are defined benefit plans and are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on services, with an actuarial valuation for accounting purposes updated annually. Pension expenses for these two plans are recognized as members render services. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. The accrued benefit liability for these plans is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses.

(f) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination or, in the case of a solid waste landfill closure and post-closure care, as the landfill sites capacity is used, and the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. Accrued environmental liabilities are reported as part of accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to portfolio investments, post-employment and retirement benefits, environmental liabilities, contingencies and revenue accruals such as Canada health and social transfer payments, and corporate and personal income tax revenue.

3. Cash and cash equivalents

	2010	2009
	(thousands of dollars)	
Bank balances	$ 44,063	$ 39,106
Short-term investments	17,096	14,989
Funds held for the Government by trustees	3,432	13,131
Cash on hand	73	67
	$ 64,664	$ 67,293

4. Temporary investments

	2010		2009	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Bankers' acceptances	$ 43,914	$ 43,918	$ 80,600	$ 80,525
Provincial treasury bills and promissory notes	12,271	12,267	8,982	8,946
Government of Canada treasury bills	999	999	-	-
Bearer deposit notes	-	-	19,917	19,905
	$ 57,184	$ 57,184	$ 109,499	$ 109,376

Temporary investments during the year had a weighted average effective yield of 0.7% (2009 – 2.7%) per annum.

5. Due from/to Government of Canada

	2010	2009
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	$ 57,270	$ 53,381
Income tax receivable	5,319	6,996
Other	38	49
	$ 62,627	$ 60,426
Due to Government of Canada		
RCMP	$ 10,503	$ 8,132
Public Service Pension Plan contribution payable	4,372	4,125
Payroll deductions payable	4,106	3,849
Other	1,333	1,000
	$ 20,314	$ 17,106

Amounts due from and due to Government of Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

6. Accounts receivable

	2010	2009
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 9,191	$ 7,762
Less valuation allowances	(464)	(688)
	8,727	7,074
Due from Territorial corporations	8,959	8,577
	$ 17,686	$ 15,651

7. Portfolio investments

On March 31, 2010 the Government held portfolio investments in floating rate notes with a carrying value of $25.6 million as a result of a restructuring process related to previous investments in asset-backed commercial paper. Upon the restructuring, on January 21, 2009, the Government received notes with a face value of $36.3 million of various classes issued by a trust referred to as the "Master Asset Vehicle II" (MAV II).

As the Government's investments in MAV II notes are not current in nature, these investments are classified as portfolio investments. The investments were recorded at a discount to their face value. This discount is amortized over time as the investments move closer to their maturity dates. During the year $1,528,000 of discount was amortized resulting in a March 31, 2010 carrying value of $25,592,000. The $1,528,000 amortized discount was recognized as current year revenue from portfolio investments.

The Government held the following investments in MAV II notes:

	2010		2009	
	Face Value	Carrying Value	Face Value	Carrying Value
	(thousands of dollars)			
Master Asset Vehicle II (MAV II)				
Class A-1 Notes	$ 15,726	$ 12,180	$ 15,777	$ 11,421
Class A-2 Notes	16,455	12,054	16,455	11,516
Class B Notes	2,986	1,248	2,986	1,098
Class C Notes	1,089	110	1,089	79
	$ 36,256	$ 25,592	$ 36,307	$ 24,114

Generally all notes are expected to be repaid on January 22, 2017 except for Class A-1 notes that are expected to start returning principal beginning in 2013 as the underlying assets mature. Class A-1 and A-2 notes pay quarterly interest at a rate equivalent to a bankers' acceptance rate minus 0.5%. Class B notes accrue interest at the same rate as A-1 and A-2 notes but will not pay interest until after the principal and interest on Class A-1 and A-2 notes have been fully paid. Class C notes accrue interest at a bankers' acceptance rate plus 20% but will not pay interest until after the principal and interest on Class B notes have been fully paid. A one-time principal repayment of $51,000 attributable to excluded securities was made on the Class A-1 notes and was received in two distributions that occurred during the year.

All notes are backed by a combination of structured and traditional assets. Class A-1 and A-2 notes were assigned a rating of "A" by DBRS Limited ("DBRS"). In August 2009, DBRS downgraded the rating of the Class A-2 from "A" to "BBB (low)" and maintained the trend of Under Review with Negative Implications which had been in place since April 24, 2009. On February 9, 2010, DBRS removed the Under Review with Negative Implications trend from the Class A-2 notes and maintained the rating at "BBB" (low)". Class B and C notes are not rated.

8. Advances to Territorial corporations

	2010	2009
	(thousands of dollars)	
Yukon Housing Corporation		
Working capital advances	$ 26,705	$ 26,821
Yukon Development Corporation		
Loan advance	25,000	-
	$ 51,705	$ 26,821

The working capital advances to the Yukon Housing Corporation are interest free and have various repayment terms.

In December 2009, the Government entered into a loan advance agreement with the Yukon Development Corporation (YDC) and advanced the principal sum of $25 million to YDC in order to assist in the Carmacks-Stewart transmission project and the Mayo hydro enhancement project, which are being carried out by the Yukon Energy Corporation, YDC's wholly-owned subsidiary. The initial term of the loan advance was June 22, 2010. Pursuant to the agreement, the Government and YDC agreed to extend the loan for a second term, with a maturity date of September 20, 2010. Subsequently, on August 11, 2010, YDC repaid the $25 million. The per annum interest rate applicable to the principal amount during the first term was the three month banker's acceptance rate on December 14, 2009 plus 70 basis points (1.01%). The per annum interest rate during the second term was the three month banker's acceptance rate on June 15, 2010 plus 50 basis points (1.29).

9. Loans receivable

	2010	2009
	(thousands of dollars)	
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2015, bearing interest at 0.00%	$ 6,533	$ 15,859
Local improvement loans, due in varying annual amounts to the year 2036, bearing interest rates ranging from 0.5% to 8.21%	3,801	3,723
Debenture loans to municipalities, due in varying annual amounts to the year 2030, bearing interest rates ranging from 4.00% to 9.25%	3,478	4,011
Domestic well loans, due in varying annual amounts to the year 2023, bearing interest rates ranging from 0.5% to 4.75%	1,938	1,587
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 12.00%	1,653	1,723
Agreements for sale of land, due in varying annual amounts over a three or five year term to the year 2015, bearing interest rates ranging from 4.25% to 7.25%	825	2,777
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2014, bearing interest at 0.00%	580	733
Energy infrastructure development loan due in periodic instalments bearing interest at 6.40%	205	205
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2021, bearing interest at 0.00%	173	189
Energy conservation loans due in varying annual amounts with varying rates of interest	155	155
Less valuation allowances	(1,906)	(1,906)
	$ 17,435	$ 29,056

10. Land held for sale

	2010	2009
	(thousands of dollars)	
Undeveloped land	$ 465	$ 465
Land under development	9,163	4,379
Developed land	3,385	959
	$ 13,013	$ 5,803

11. Accounts payable and accrued liabilities

	2010	2009
	(thousands of dollars)	
Accrued liabilities	$ 47,895	$ 39,861
Accounts payable	30,971	24,937
Due to Territorial corporations	7,573	4,438
Contractors' holdbacks and security deposits	4,824	4,948
	$ 91,263	$ 74,184

12. Unearned revenues

	2010	2009
	(thousands of dollars)	
Unspent transfer payments from Government of Canada	$ 32,030	$ 20,017
Motor vehicle fees for future years	2,358	2,064
Other	214	35
	$ 34,602	$ 22,116

13. Post-employment benefits

	2010	2009
	(thousands of dollars)	
Severance benefits	$ 43,155	$ 41,029
Sick leave obligation	19,951	18,995
Vacation leave obligation	16,758	15,955
Accrued benefit obligation	79,864	75,979
Unrecognized net actuarial loss	(15,253)	(16,876)
Accrued benefit liability	$ 64,611	$ 59,103

Severance benefits are paid on termination of service or upon retirement.

If an employee has at least five years of continuous service, a cash-in of sick leave will be paid on termination of service or upon retirement. The cash-in amount is calculated as 1/3 of unused sick leave credits to a maximum of 60 days multiplied by the daily pay rate at termination or retirement.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. In projecting the accrued obligation for these benefits as at March 31, 2010, the Government assumed a discount rate of 5.75% and general salary increases of 2.5% per annum. The net actuarial loss is amortized over the expected average remaining service life of the active employees of 10.4 years. The Government is conducting an actuarial valuation of post-employment benefits at March 31, 2010. The information from this valuation will be reflected in the 2010/2011 financial statements.

Expenses related to post-employment benefits for the year ended March 31, 2010 were $11,977,000 (2009 - $11,454,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $6,531,000 (2009 - $7,140,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

14. Retirement benefits

(a) Public Service Pension Plan

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. In this plan, employees accumulate pension benefits up to a maximum period of 35 years at 2% per year of pensionable service based on the average of their five consecutive years of highest paid services. Until December 2009, the Government contributed $1.91 for every dollar contributed by the employee, and $7.50 for every dollar contributed by the employee for the portion of the employee's salary above $136,700. Effective January 1, 2010, the Government contributes $1.94 for every dollar contributed by the employee, and $8.90 for every dollar contributed by the employee for the portion of the employee's salary above $139,500. The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were $29,205,000 (2009 - $28,370,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and/or earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

The funds are held by an investment manager in two different accounts. The first account holds the assets of the trust fund for the registered pension plan established pursuant to Parts 1 and 2 of the *Legislative Assembly Retirement Allowances Act*. The second account holds the assets of the Government, from which benefits under Part 3 of the *Legislative Assembly Retirement Allowances Act* are paid. It is the Government's policy to fully fund Parts 1 and 2 of this pension plan.

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The accrued benefit obligation as at March 31, 2010 is based on an extrapolation of an actuarial valuation for funding purposes conducted as at March 31, 2008 using best estimate assumptions accepted by the Members' Services Board of the Legislative Assembly.

(c) Territorial Court Judiciary Pension Plan

The Territorial Court Judiciary Pension Plan is comprised of a judiciary registered pension plan, a judiciary retirement compensation arrangement and a supplementary judiciary pension plan. In addition to pension payments, these plans also contain a provision for payment of lump sum death and severance allowances. The Plan is administered by the Public Service Commissioner in the meaning assigned by the *Public Service Act* (Yukon).

The judiciary registered pension plan is a contributory defined benefit pension plan. In this plan, benefits are accumulated at an annual amount of 2% multiplied by the number of years of credited service multiplied by the annual average of the member's highest five consecutive years of earnings. A member's credited service is limited to a maximum of 35 years. The judiciary retirement compensation arrangement was established for the purpose of providing benefits to members with respect to pensionable service earnings that are in excess of the maximum pension limits of the judiciary registered pension plan as required by the *Income Tax Act* (Canada). Pursuant to the *Territorial Court Judiciary Pension Plan Act* (Yukon), the pension fund assets for these two plans are held separate and distinct from the Government's operations, and are managed by an investment manager.

The supplementary judiciary pension plan is supplemental to benefits provided under the judiciary registered pension plan and the judiciary retirement compensation arrangement. The *Territorial Court Judiciary Pension Plan Act* (Yukon) stipulates that no contributions are to be made to this plan, and no fund is to be maintained for the plan. In this plan, the annual amount of pension payable to a member equals 3% of the average annualized pensionable earnings of a member over the 24 months during which pensionable earnings are highest multiplied by the number of years of credited service, subject to a maximum of 70% of those earnings, minus actual benefits accumulated under the judiciary registered pension plan and the judiciary retirement compensation arrangement.

Actuarial valuations for the Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2008.

(d) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2010 is based on an extrapolation of an actuarial valuation conducted as at April 1, 2007. An actuarial valuation as at March 31, 2010 is currently in progress. The information from this valuation will be reflected in the financial statements for the year ended March 31, 2011. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The accrued benefit liability for the above retirement benefits as of March 31, 2010 was as follows:

	2010	2009
	(thousands of dollars)	
Accrued benefit liability (asset) (Schedule D)		
Extended health care retirement benefit	$ 25,164	$ 23,364
Territorial Court Judiciary Pension Plan	3,881	3,742
Life insurance retirement benefit	1,131	1,083
Legislative Assembly Retirement Allowances Plan	(1,159)	(1,581)
	$ 29,017	$ 26,608

15. Capital lease obligations

	2010	2009
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2013, with imputed interest rate of 13.5%.	$ 1,517	$ 1,930
Building lease obligation payable monthly until the year 2012, with imputed interest rate of 11.0%. The building is to be transferred to the Government for $1.00 at the end of the lease term.	970	1,609
Building lease obligation payable monthly until the year 2011, with imputed interest rate of 13.3%.	145	340
	$ 2,632	$ 3,879

Interest expense related to capital lease obligations for the year was $404,000 (2009 - $546,000) at an imputed average interest rate of 12.6% (2009 – 12.6%).

The following is a schedule of future minimum lease payments under the capital lease obligations.

	(thousands of dollars)
2011	$ 2,043
2012	1,273
2013	755
2014	-
2015	-
Total minimum lease payments	4,071
Less: amount representing executory costs	(859)
amount representing rental of land	(210)
amount representing interest	(370)
	$ 2,632

16. Financial instruments

The balances in cash and cash equivalents, temporary investments, due to/from Government of Canada, accounts receivable, and accounts payable and accrued liabilities are non-interest bearing and have fair values that approximate their carrying amounts due to their short term to maturity.

The fair value and the methods of calculation and assumptions used for the Government's long-term financial instruments are detailed below:

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Portfolio investments				
Master Asset Vehicle II	$ 25,592	$ 28,815	$ 24,114	$ 21,960
Loans receivable	17,435	17,435	29,056	29,056

The estimated fair value for portfolio investments is calculated using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

Since the above valuation approach and assumptions are based on market information available at March 31, 2010, the fair value of portfolio investments may change materially in future periods as a result of fluctuations in the major elements of the valuation methodology. These changes are, however, not expected to result in a significant impact on the Government's future operations.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable due to the nature of these loans. The carrying value of these loans receivable should not be seen as the realizable value on immediate settlement of the loans due to the uncertainty associated with such a settlement.

17. Tangible capital assets

	2010 Net Book Value	2009 Net Book Value
	(thousands of dollars)	
Land	$ 6,648	$ 6,671
Buildings	275,935	245,975
Equipment and vehicles	33,582	31,142
Computer hardware and software	11,205	9,816
Transportation infrastructure	616,558	593,856
Other	34,202	20,328
(Schedule C)	$ 978,130	$ 907,788

The Government owns and/or maintains various historical sites. The Government also holds works of art with a total estimated value of $5.4 million (2009- $4.8 million).

Leased capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was $653,000 (2009 - $653,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2010	2009
	(thousands of dollars)	
Buildings (cost)	$ 9,549	$ 9,549
Less accumulated amortization	(4,826)	(4,173)
	$ 4,723	$ 5,376

No interest was capitalized during the year.

18. Deferred capital contributions

Where the fair value has been capitalized for tangible capital assets that were transferred from a third party such as Government of Canada, an offset is recorded as a deferred capital contribution. Funding received from a third party for the acquisition, development, construction or betterment of tangible capital assets is also treated as a deferred capital contribution. The most significant of these assets are highways, bridges and airport infrastructure. The deferred capital contribution is recognized as revenue over the useful life of the related asset.

	2010	2009
	(thousands of dollars)	
Deferred capital contributions, beginning of year	$ 503,640	$ 479,127
Add: Assets transferred or funded during the year	44,220	39,264
Less: Disposal and write-down	(40)	4
Amortization	(15,878)	(14,755)
Deferred capital contributions, end of year (Schedule C)	$ 531,942	$ 503,640

19. Expenses by object

	2010	2009
	(thousands of dollars)	
Personnel	$ 359,894	$ 333,590
Transfer payments	218,716	207,401
Contract and special services	153,425	125,425
Materials, supplies and utilities	75,567	69,672
Amortization expenses	36,356	34,352
Communication and transportation	34,597	26,832
Other	21,985	28,566
	$ 900,540	$ 825,838

20. Trust assets

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets or liabilities.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. The remaining trust assets are invested primarily in long-term bonds, bankers' acceptances, bearer's deposit notes and the Government of Canada treasury bills.

Investments of Compensation Fund (Yukon) are valued at fair value. Investments of the remainder of the trust accounts are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2010	2009
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 144,833	$ 129,219
Federal Gas Tax Funds under the New Deal	18,633	13,963
Forest Sector Fund	5,221	5,175
Water Resources Bonds	3,846	2,516
Crime Prevention and Victim Services	3,827	3,498
Land Title Office – Assurance Fund	3,498	3,349
Lottery Commission	2,751	2,838
Historic Resources Trust Fund	1,216	1,230
Public Guardian Trust	1,048	935
Other	2,905	2,297
	$ 187,778	$ 165,020

21. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2010:

	Expiry Date	2011	2012 – 2025	Total
		(thousands of dollars)		
Capital projects				
- in progress at March 31, 2010	2025	$ 44,127	$ 28,466	$ 72,593
(recoverable amount)		(22,785)	(7,742)	(30,527)
Yukon College	2016	20,660	35,537	56,197
Mobile radio network system	2025	1,522	50,478	52,000
Yukon Hospital Corporation	2013	40,887	1,836	42,723
RCMP policing agreement	2012	20,257	20,865	41,122
Building/office space leases	2016	7,898	7,631	15,529
Faro mine site	2012	7,773	7,283	15,056
(recoverable amount)		(7,773)	(7,283)	(15,056)
Miscellaneous operational commitments	2012	12,914	2,839	15,753
		$ 125,480	$ 139,910	$ 265,390

22. Commitments

In July 2009, the Government provided its consent for the Yukon Hospital Corporation to borrow up to $17 million from a financial institution for the construction of a new staff residence and health services facility. The Government made a commitment to the Yukon Hospital Corporation to fund, upon project completion, additional net annual costs incurred by the Corporation as a result of this project. The Yukon Hospital Corporation plans to rent out approximately 50% of the new building space in order to offset additional costs.

Subsequent to the financial statement date, in June 2010, the Government authorized the Yukon Hospital Corporation to borrow up to $50 million for the construction of the Watson Lake Hospital and the Dawson City Hospital. The Government indicated its plan to assist the Yukon Hospital Corporation to fund, upon project completion, additional net annual costs incurred by the Corporation as a result of financing these projects. The Yukon Hospital Corporation plans to rent out approximately 1/3 of each of the new building space in order to offset additional costs.

Also subsequent to the financial statement date, in June 2010, the Yukon Development Corporation issued 30-year bonds in the amount of $100 million at a fixed coupon rate of 5.0% per annum in order to partially finance the Mayo hydro enhancement project, the Carmacks-Stewart transmission project and other miscellaneous projects. The Government indicated its plan to assist the Yukon Development Corporation by contributing towards a portion of principal and interest payments up to $52.5 million. This amount will be reduced on a pro rata basis by any revenues from new industrial customers connecting to the Carmacks-Stewart transmission line.

23. Overexpenditure

During the year, one (2009 – three) department exceeded their vote with a total of $3,700,000 (2009 - $1,973,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The vote that was overexpended is as follows:

	(thousands of dollars)
Operation and maintenance	
Health and Social Services	$ 3,700

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, two (2009 – two) departments exceeded the authorized amounts as follows:

Operations and maintenance grants	
Health and Social Services	
- Medical travel subsidies	269
- Child care subsidies	215
- Adoption subsidies	43
Education	
- Student accommodation (boarding subsidy)	15

24. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of $16.4 million (2009 - $17.8 million) and debts of the Yukon Energy Corporation, the wholly-owned subsidiary of the Yukon Development Corporation, of $6.5 million (2009 - $7.0 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to $11.0 million. At March 31, 2010, on a consolidated basis, the Yukon Development Corporation had total debts of $34.2 million (2009 - $32.7 million) and a credit facility of up to $17.5 million. While the Government has not issued guarantees for all of these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government. It is expected that no significant costs will be incurred by the Government with respect to these guarantees and debts.

25. Land claims

Between February 1995 and March 31, 2010, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

The bilateral funding agreement with the Government of Canada that had been in place since June 24, 1993 and which provided funding towards the Government's additional implementation costs expired on March 31, 2009. However there are no additional costs for the Government, as all of the existing funding commitments are captured elsewhere, either through a specific funding agreement with the Government of Canada or as a component of the base funding received by the Government. The specific implementation costs include Board and Council funding arising from the various Final Agreement Implementation Plans and other negotiated funding amounts.

The Government incurred expenses of $4.6 million during the year (2009 - $5.0 million) with cumulative expenditures of approximately $58.5 million (2009 - $55.2 million), of which $57.4 million (2009 - $55.1 million) was funded by the Government of Canada.

26. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2010 the Government estimated the total claimed amount, excluding the claim from the Commission scolaire francophone du Yukon which is described below, to be about $1.9 million (2009 - $3.1 million). No provision for claims has been made in these financial statements as it is not likely that any future event will confirm that a liability has been incurred at the date of the financial statements.

In the Statement of Claim filed by the Commission scolaire francophone du Yukon (CSFY) in 2009, the Government was named as defendant. Among its claims for the exclusive management and control of resources for French language schooling, CSFY is seeking payment in the amount of $2.9 million as it claims that the Government breached previous years' contribution agreements and funding obligations. The claim amount also includes damages for infringing language rights. It is expected that the court's ruling on the claims will be made sometime in 2011. No provision for these claims has been made in these financial statements as the likelihood that the Government has incurred a liability at the date of the financial statements is undeterminable.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of $5 million, which is to be used for providing insurance and risk management services to Government departments. Any expenses relating to property and liability losses incurred by the Government are to be paid out of this fund. The Government carries no insurance policy for its property losses, but carries a legal liability insurance policy with a $2 million deductible. In 2009/2010, the Government paid $220,000 (2009 - $397,000) for general liability claims such as bodily injury and property damage and automobile liability. The Government had unpaid claims against the fund in the amount of $1,057,000 as at March 31, 2010 (2009 - $1,133,000). This amount is reported as part of the Government's accrued liabilities. The fund balance as at March 31, 2010 was $4.2 million (2009 - $3.9 million).

27. Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible.

The *Environment Act* (Yukon) – *Solid Waste Regulations* include requirements for closure and abandonment of a dump. There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2010, a liability in the amount of $535,000 (2009 - $535,000) has been recorded for these sites using the method recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board.

In addition to the above landfill sites, as at March 31, 2010, the Government was aware of 41 sites (2009 – 38 sites) where the Government is obligated or is likely obligated to incur such costs. Of the 41 sites, 10 are airports and 21 are highway maintenance camps, the majority of which have been investigated but are still awaiting full environmental assessments. Quantifiable portions of remediation costs for some of the sites that are known to be contaminated are currently estimated at $7,106,000 (2009 - $6,789,000), which has been recorded as a liability and reported as part of accrued liabilities. As estimates are based on the information available as of the financial statement date, those amounts could result in material changes from one year to the next. The Government estimates the contingent environmental liabilities for the sites that are awaiting assessments to be another $3.4 million (2009 - $2.1 million). The Government is committed to assessing all sites in a systematic manner.

One site on the Commissioner's Land has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a Responsible Party for this site. The Government of Canada was the landowner when the contamination occurred. On September 7, 2010, the Government and the Government of Canada entered into an agreement to remediate the site over 10 years with a total estimated cost of $6.8 million, of which the Government is to fund 30% or $2 million and the Government of Canada $4.8 million.

Pursuant to the Devolution Transfer Agreement, the Government of Canada retained responsibility for the clean-up of waste sites that were identified on lands transferred effective April 1, 2003. The Government of Canada also accepted financial responsibility for the remediation of impacts attributable to activities that took place prior to April 2003 on the mine sites identified as Type II sites, where they have been abandoned by their owner/operator. The Government is not aware of any financial obligations in relation to these mine sites.

28. Related parties

Related party transactions are as follows:

	2010	2009
	(thousands of dollars)	
Revenues from:		
Yukon Liquor Corporation	$ 7,778	$ 8,222
Yukon Housing Corporation	1,503	1,999
Compensation Fund (Yukon)	830	1,001
Yukon Lotteries Commission	621	588
Yukon Development Corporation	153	277
Yukon College	132	196
Yukon Hospital Corporation	45	58
	$ 11,062	$ 12,341
Expenses to:		
Yukon Hospital Corporation	$ 43,536	$ 40,385
Yukon College	23,505	21,476
Yukon Development Corporation	13,032	18,480
Compensation Fund (Yukon)	7,005	6,455
Yukon Housing Corporation	4,657	9,301
Yukon Arts Centre Corporation	1,645	904
Yukon Legal Services Society	1,642	1,766
Yukon Human Rights Commission	539	479
Yukon Liquor Corporation	14	15
	$ 95,575	$ 99,261

29. Comparative figures

Certain comparative figures for 2009 have been reclassified to conform with the 2010 presentation.

GOVERNMENT OF YUKON

Schedule A

Schedule of Revenues
for the year ended March 31, 2010

	2010		2009
	Main Estimates (Note 1(b))	Actual	Actual
		(thousands of dollars)	
From Government of Canada			
Formula Financing grant	$ 611,707	$ 611,707	$ 564,032
Other grants	71,208	44,170	49,168
Contributions and service agreements	64,823	67,525	62,179
	747,738	723,402	675,379
Taxes and general revenues			
Income taxes	62,472	63,440	66,340
Other taxes	27,065	26,996	25,424
Licences, permits and fees	8,582	11,744	10,654
Yukon Liquor Corporation - net income	7,229	7,546	7,029
Investment and interest revenue	1,987	1,783	552
Income from portfolio investments	-	1,545	266
Gain on sale of lots	150	1,389	1,467
Aviation operations	869	826	860
Oil and gas resource revenue	715	444	1,193
Fines	408	393	306
Other revenues	277	496	257
	109,754	116,602	114,348
Funding and service agreements with other parties	18,844	17,761	21,912
Amortization of deferred capital contributions	16,875	15,878	14,755
	$ 893,211	$ 873,643	$ 826,394

GOVERNMENT OF YUKON

Schedule B

Schedule of Expenses
for the year ended March 31, 2010

	2010	Actual 2010					2009
	Main Estimates	Personnel	Transfer Payments	Other	Amortization Expenses	Total	Actual
	(Note 1(b))					(Note 19)	
				(thousands of dollars)			
Health and Social Services	$ 235,034	$ 78,359	$ 101,155	$ 76,444	$ 1,621	$ 257,579	$ 233,778
Highways and Public Works	163,981	53,871	827	79,667	21,658	156,023	149,616
Education	132,856	76,498	33,148	19,539	5,704	134,889	130,373
Community Services	87,984	24,286	40,321	20,009	1,695	86,311	81,365
Justice	53,359	21,550	4,332	30,534	1,152	57,568	48,237
Energy, Mines and Resources	57,526	22,315	5,450	24,905	323	52,993	38,760
Public Service Commission	36,115	30,991	-	3,718	11	34,720	27,440
Environment	27,878	16,911	2,105	9,818	171	29,005	29,450
Tourism and Culture	23,777	8,156	7,721	7,606	641	24,124	21,406
Executive Council Office	25,419	11,619	6,604	3,072	14	21,309	19,947
Economic Development	16,126	4,807	6,675	2,918	40	14,440	13,695
Restricted Funds	-	-	-	4,497	3,301	7,798	(2,059)
Finance	7,206	4,862	606	1,210	4	6,682	6,274
Yukon Development Corporation (Transfer Payment)	4,250	-	6,000	-	-	6,000	10,750
Yukon Legislative Assembly	5,464	4,383	-	1,088	21	5,492	5,954
Yukon Housing Corporation (Transfer Payment)	6,550	-	3,406	-	-	3,406	8,860
Women's Directorate	1,245	590	366	179	-	1,135	1,152
Office of the Ombudsman	534	409	-	125	-	534	521
Elections Office	362	241	-	80	-	321	319
Child and Youth Advocate	-	46	-	165	-	211	-
Adjustments	(11,843)	-	-	-	-	-	-
	$ 873,823	$ 359,894	$ 218,716	$ 285,574	$ 36,356	$ 900,540	$ 825,838

GOVERNMENT OF YUKON

Schedule C

Schedule of Tangible Capital Assets
for the year ended March 31, 2010

	Land	Buildings	Equipment and Vehicles	Computer Hardware and Software	Transportation Infrastructure	Other[1]	2010 Total	2009 Total
				(thousands of dollars)				
Cost of tangible capital assets, opening	$ 6,671	$ 427,592	$ 82,679	$ 30,985	$ 790,042	$ 24,836	$ 1,362,805	$ 1,303,972
Acquisitions	-	41,617	7,561	3,129	40,168	14,460 [3]	106,935	64,194
Write-downs	(23)	-	(2)	(108)	-	-	(133)	-
Disposals	-	-	(2,123)	(54)	(300)	-	(2,477)	(5,361)
Cost of tangible capital assets, closing	6,648	469,209	88,115	33,952	829,910	39,296 [3]	1,467,130	1,362,805
Accumulated amortization, opening	-	181,617	51,537	21,169	196,186	4,508	455,017	424,978
Amortization expense	-	11,657	5,015	1,632	17,466	586	36,356	34,352
Disposals	-	-	(2,019)	(54)	(300)	-	(2,373)	(4,313)
Accumulated amortization, closing	-	193,274	54,533	22,747	213,352	5,094	489,000	455,017
Net book value (Note 17)	**$ 6,648**	**$ 275,935**	**$ 33,582**	**$ 11,205**	**$ 616,558**	**$ 34,202 [3]**	**$ 978,130**	**$ 907,788**
Work-in-progress[2]		$ 51,497	$ -	$ 4,794	$ 35,103	$ 20,263 [3]	$ 111,657	$ 63,251
Deferred capital contributions (Note 18)		$ 33,850	$ 3,910	$ 2,139	$ 478,688	$ 13,355 [3]	$ 531,942	$ 503,640

[1] Includes portable classrooms, land improvements and fixtures, and sewage/water systems.

[2] Included in net book value.

[3] Includes $4.4 million of work-in-progress and $2.9 million of deferred capital contributions for a sewage treatment plant, which the Government plans to transfer to the Town of City of Dawson once it is completed.

GOVERNMENT OF YUKON

Schedule D

Schedule of Retirement Benefits
for the year ended March 31, 2010

	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	2010 Total	2009 Total
			(thousands of dollars)			
Pension and retirement plan assets are valued at fair market value.						
Accrued benefit obligation						
Obligation at beginning of year	$ 20,664	$ 5,921	$ 22,439	$ 1,263	$ 50,287	$ 51,702
Current service costs	1,095	309	940	29	2,373	2,566
Past service cost	-	-	-	-	-	(5,545)
Interest cost on benefit obligation	1,354	397	1,333	72	3,156	3,307
Actuarial (gain) loss	-	(156)	-	-	(156)	(397)
Benefits paid	(775)	(190)	(384)	(77)	(1,426)	(1,346)
Accrued benefit obligation at end of year	$ 22,338	$ 6,281	$ 24,328	$ 1,287	$ 54,234	$ 50,287
Plan assets						
Value at beginning of year	$ 20,825	$ 3,084	$ -	$ -	$ 23,909	$ 27,374
Actual return on plan assets	3,802	529	-	-	4,331	(2,505)
Government contributions	722	190	384	77	1,373	1,212
Member contributions	144	57	-	-	201	199
Transfers	-	-	-	-	-	(1,025)
Benefits paid	(775)	(190)	(384)	(77)	(1,426)	(1,346)
Value at end of year	$ 24,718	$ 3,670	$ -	$ -	$ 28,388	$ 23,909
Funded status - plan deficit (surplus)	$ (2,380)	$ 2,611	$ 24,328	$ 1,287	$ 25,846	$ 26,378
Unrecognized net actuarial gain (loss)	1,221	1,270	836	(156)	3,171	230
Accrued benefit liability (asset) (Note 14)	$ (1,159)	$ 3,881	$ 25,164	$ 1,131	$ 29,017	$ 26,608
Net benefit cost						
Current service costs	$ 1,095	$ 309	$ 940	$ 29	$ 2,373	$ 2,566
Less: Member contributions	(144)	(57)	-	-	(201)	(199)
Past service cost	-	-	-	-	-	(5,545)
Interest cost on benefit obligation	1,354	397	1,333	72	3,156	3,307
Expected return on plan assets	(1,356)	(202)	-	-	(1,558)	(1,781)
Amortization of net actuarial (gain) loss	195	(118)	(89)	24	12	(540)
Net cost for the year	$ 1,144	$ 329	$ 2,184	$ 125	$ 3,782	$ (2,192)

GOVERNMENT OF YUKON

Schedule D
Continued

Schedule of Retirement Benefits
for the year ended March 31, 2010

	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit
Assumptions				
Expected long-term rate of return on assets	6.5%	6.5%	N/A	N/A
Discount rate on accrued benefit obligation	6.5%	6.5%	5.75%	5.75%
Discount rate on benefit costs	6.5%	6.5%	5.75%	5.75%
Inflation	2.5%	2.5%	N/A	N/A
Rate of compensation increase	2.5%	3.0%	N/A	see below [1]
Health care cost trend rate	N/A	N/A	see below [2]	N/A
Amortization period (expected average remaining service life)	8.5 years	7.7 years	10.4 years	7.6 years

[1] 1.2% on June 1, 2009, 2.5% per annum thereafter.

[2] 12.0 % per annum, grading down annually by 1.4% per annum to 5.0% per annum and remaining at that level thereafter.

GOVERNMENT OF YUKON

Schedule E

Reconciliation of 2009-2010 Main Estimates to the Main Estimates reported on the Statement of Operations

(thousands of dollars)

Main Estimates as Published[1] (Note 1(b))		Main Estimates reported on the Statement of Operations	
Revenues			**Revenues**
			From Government of Canada
		$ 611,707	Formula Financing grant
Transfers from Canada	$ 682,915	71,208	Other grants
Recoveries from Canada	80,070		
Less: Yukon Housing Corporation's recoveries[2]	(14,791)		
Deferred capital contributions	(456)	64,823	Contributions and service agreements
Taxes and general revenue	109,548		
Add loan interest revenue	206	109,754	Taxes and general revenues
Third-party recoveries	89,569		
Less: Yukon Housing Corporation's recoveries[2]	(17,118)		
Deferred capital contributions	(23,140)		
Loan interest revenue	(206)		
Balance sheet transactions			
- Land held for sale	(29,061)		
- Loans receivable	(1,200)	18,844	Funding and service agreements with other parties
Effect of change in tangible capital assets			
Amortization of deferred capital contributions		16,875	Amortization of deferred capital contributions
		893,211	
Expenditures			
Operation and maintenance	762,613		
Capital	240,618		
	1,003,231		
Less: Remove expenditures of Yukon Housing Corporation[2]			
- Operation and maintenance	(14,046)		
- Capital	(24,413)		
Balance sheet transactions			
- Land held for sale	(29,061)		
- Loans receivable	(1,200)		
Add net expenditures of Yukon Housing Corporation - transfer payments[2]	6,550		
Effect of change in tangible capital assets			
Acquisitions	(89,883)		
Amortization expense	34,488		
Adjustments			
Estimated year-end lapses	(36,901)		
Estimated revotes of prior year lapses	25,058	**873,823**	**Expenses**
Surplus for the year		**$ 19,388**	**Surplus for the year**

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[1] The Government's Main Estimates are prepared on a modified cash basis.

[2] The Government's Main Estimates include expenditures and revenues of the Yukon Housing Corporation. Net expenditures of the Yukon Housing Corporation become transfer payments of the Government of Yukon

SECTION II

SUPPLEMENTARY FINANCIAL INFORMATION

(unaudited)

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GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Formula Financing grant from Canada	$ 611,707,489	$ 564,031,616	$ 47,675,873
Other grants from Canada			
Canada health transfer	25,177,000	28,747,250	(3,570,250)
Canada social transfer	10,810,000	11,222,250	(412,250)
Territorial health access fund	6,333,333	6,333,333	-
Medical travel fund	1,600,000	1,600,000	-
Wait times reduction transfer	249,000	-	249,000
Police officers recruitment fund	-	800,000	(800,000)
Public transit capital trust	-	466,273	(466,273)
	44,169,333	49,169,106	(4,999,773)
Contributions and recoveries from Canada			
Type II mine sites	20,576,644	7,423,656	13,152,988
Building Canada fund	15,149,488	19,024,887	(3,875,399)
Child welfare	9,257,967	9,261,036	(3,069)
Canadian strategic infrastructure fund	5,988,195	1,568,751	4,419,444
Mobile communications solution - RCMP	4,692,109	3,685,255	1,006,854
Skills and labour market development - Human Resources and Social Development Canada	4,438,686	1,971,081	2,467,605
Municipal rural infrastructure fund	4,018,202	2,324,025	1,694,177
Canadian Heritage - French language programs	3,963,225	4,129,500	(166,275)
Land claims implementation	3,150,758	2,761,074	389,684
Continuing care facilities	3,008,551	2,553,127	455,424
Other funding and service agreements	16,601,470	15,560,310	1,041,160
	90,845,295	70,262,702	20,582,593
Less funding for tangible capital assets transferred to deferred capital contributions	(23,320,213)	(8,083,924)	(15,236,289)
	67,525,082	62,178,778	5,346,304
Taxation			
Income taxes	63,439,914	66,340,417	(2,900,503)
Tobacco tax	11,126,726	10,087,120	1,039,606
Fuel tax	6,797,926	6,871,546	(73,620)
General property tax	3,412,213	3,028,553	383,660
Liquor tax	3,637,167	3,426,688	210,479
Insurance premium tax	1,866,836	1,867,137	(301)
Grants in lieu of property tax	155,183	142,335	12,848
	90,435,965	91,763,796	(1,327,831)

GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Licenses, Permits and Fees			
Motor vehicle	$ 3,935,343	$ 4,038,340	$ (102,997)
Business and professional	3,226,462	2,406,004	820,458
Land, mines and forestry	2,328,591	2,000,853	327,738
Hunting, fishing and outfitting	661,054	644,839	16,215
Building safety	510,386	361,463	148,923
Campground permits	296,933	295,629	1,304
Land titles	262,217	302,318	(40,101)
Other	522,471	604,249	(81,778)
	11,743,457	10,653,695	1,089,762
Investment and Interest Revenue			
Income from portfolio investments	1,545,383	265,895	1,279,488
Banking and investment	1,206,086	29,536	1,176,550
Debenture loans	206,209	237,819	(31,610)
Local improvement loans	172,874	159,072	13,802
Land sale agreements	71,191	95,149	(23,958)
Interest on advances to Territorial corporations	69,178	-	69,178
Business loan interest	55,441	-	55,441
Delinquent accounts	1,731	30,754	(29,023)
	3,328,093	818,225	2,509,868
Fines			
Territorial Court	358,928	286,307	72,621
Land administration penalties	24,193	11,843	12,350
Library fines	9,943	8,145	1,798
	393,064	306,295	86,769
General			
Yukon Liquor Corporation - net income	7,546,686	7,028,798	517,888
Gain on sale of lots	1,388,896	1,467,485	(78,589)
Aviation operations	825,608	859,536	(33,928)
Oil and gas resource revenue	444,412	1,192,572	(748,160)
Land and mineral leases and royalties	255,475	203,628	51,847
Other	240,883	53,513	187,370
	10,701,960	10,805,532	(103,572)

GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Funding and service agreements with other parties			
Alaska Highway - Shakwak	$ 21,230,352	$ 29,803,294	$ (8,572,942)
Third-party health care costs	3,775,691	3,426,333	349,358
Continuing and health care recoveries from clients	1,835,360	1,815,524	19,836
City of Whitehorse	1,750,000	875,000	875,000
Airports	1,607,794	1,518,777	89,017
Restricted funds	1,577,282	1,477,483	99,799
Systems development	886,954	1,602,539	(715,585)
Land development cost recovery	667,334	7,323,890	(6,656,556)
Other	6,559,036	9,496,161	(2,937,125)
	39,889,803	57,339,001	(17,449,198)
Less: Land recoveries transferred to land held for sale	(720,832)	(7,444,131)	6,723,299
Local improvement recoveries transferred to loans receivable	(508,234)	(511,396)	3,162
Funding for tangible capital assets transferred to deferred capital contributions	(20,899,408)	(27,470,958)	6,571,550
	17,761,329	21,912,516	(4,151,187)
Amortization of deferred capital contributions	15,877,816	14,755,178	1,122,638
	$ 873,643,588	**$ 826,394,737**	**$ 47,248,851**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Executive Council Office					
From Canada					
Operations and maintenance					
Land claims implementation					
- Indian and Northern Affairs Canada (INAC)	$ 3,254,000	$ (300,000)	$ 2,954,000	$ 3,150,758	$ (196,758)
Yukon Environmental and Socio-Economic Assessment Act implementation - INAC	196,000	-	196,000	(155,461)	351,461
Targeted investment program					
- business survey/socio-economic indicators	-	70,000	70,000	43,387	26,613
Triton Contract - INAC	-	-	-	74,000	(74,000)
	3,450,000	(230,000)	3,220,000	3,112,684	107,316
Taxes and general revenues					
Water licence fees	15,000	10,000	25,000	32,004	(7,004)
Total revenues	**3,465,000**	**(220,000)**	**3,245,000**	**3,144,688**	**100,312**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
From Canada					
Operations and maintenance					
Sport	$ 252,000	$ -	$ 252,000	$ 307,250	$ (55,250)
Author readings	4,000	-	4,000	6,446	(2,446)
Motor vehicle	2,000	-	2,000	4,630	(2,630)
Joint emergency preparedness program					
- pandemic planning	-	25,000	25,000	28,592	(3,592)
- search and rescue training	-	18,000	18,000	15,804	2,196
Emergency medical services	-	-	-	1,392	(1,392)
Capital					
Emergency measures preparedness	55,000	-	55,000	46,761	8,239
Canadian strategic infrastructure fund	2,067,000	1,888,000	3,955,000	840,924	3,114,076
Municipal rural infrastructure fund	3,810,000	192,000	4,002,000	4,018,202	(16,202)
Recreation Infrastructure Canada Program	-	138,000	138,000	16,950	121,050
Building Canada Fund	-	10,988,000	10,988,000	6,607,858	4,380,142
	6,190,000	13,249,000	19,439,000	11,894,809	7,544,191
Less funding for tangible capital assets transferred to deferred capital contributions	(372,000)	(2,523,000)	(2,895,000)	(5,121,019)	2,226,019
	5,818,000	10,726,000	16,544,000	6,773,790	9,770,210

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
Taxes and general revenues					
Fuel storage tank permits	$ 4,000	$ -	$ 4,000	$ 1,215	$ 2,785
Interest on local improvement	150,000	-	150,000	172,874	(22,874)
General property tax	3,300,000	50,000	3,350,000	3,412,213	(62,213)
Grant in lieu of property tax	150,000	-	150,000	155,183	(5,183)
Library fines	8,000	-	8,000	9,943	(1,943)
Photocopier fees	5,000	-	5,000	2,472	2,528
Professional/consumer licensing	235,000	145,000	380,000	420,155	(40,155)
Business/corporate licensing	1,800,000	200,000	2,000,000	2,806,307	(806,307)
Building safety licences and fees	290,000	80,000	370,000	510,386	(140,386)
Labour services	3,000	-	3,000	4,232	(1,232)
Private vehicle licences	1,198,000	-	1,198,000	1,164,445	33,555
Commercial vehicle licences	2,022,000	-	2,022,000	2,282,262	(260,262)
Miscellaneous motor vehicle revenue	371,000	-	371,000	488,636	(117,636)
Profit from sale of land	-	-	-	857,067	(857,067)
Land administration penalties	-	-	-	24,193	(24,193)
	9,536,000	475,000	10,011,000	12,311,583	(2,300,583)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
Third-party recoveries					
Operations and maintenance					
Shared services	$ 2,881,000	$ (2,400,000)	$ 481,000	$ 253,782	$ 227,218
Emergency medical services	100,000	(75,000)	25,000	71,744	(46,744)
Community recreation/active living	87,000	-	87,000	82,800	4,200
Sport	323,000	36,000	359,000	330,403	28,597
Community assessments	405,000	4,000	409,000	339,237	69,763
Water and sewer services	412,000	-	412,000	219,674	192,326
Mosquito control	21,000	-	21,000	21,000	-
Capital					
Rural electrification and telephone program	600,000	-	600,000	469,602	130,398
Domestic well program	600,000	-	600,000	38,589	561,411
Land development cost recovery					
- industrial	1,000,000	(88,000)	912,000	(207,953)	1,119,953
- residential	27,111,000	(15,469,000)	11,642,000	875,287	10,766,713
- recreational	500,000	(480,000)	20,000	-	20,000
Municipal rural infrastructure fund projects					
- City of Whitehorse - Hamilton Boulevard extension	1,750,000	-	1,750,000	1,750,000	-
	35,790,000	(18,472,000)	17,318,000	4,244,165	13,073,835
Less: Land recoveries transferred to land held for sale	(28,611,000)	16,037,000	(12,574,000)	(670,689)	(11,903,311)
Local improvement recoveries transferred to loans receivable	(1,200,000)	-	(1,200,000)	(508,234)	(691,766)
	5,979,000	(2,435,000)	3,544,000	3,065,242	478,758

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
Amortization of deferred capital contributions	$ 242,000	$ (8,000)	$ 234,000	$ 236,460	$ (2,460)
Total revenues	**21,575,000**	**8,758,000**	**30,333,000**	**22,387,075**	**7,945,925**
Economic Development					
From Canada					
Capital					
Technology partnerships					
- Community access program	-	70,000	70,000	70,000	-
Community adjustment fund					
- Yukon film industry commercial development project	-	100,000	100,000	100,000	-
Total revenues	**-**	**170,000**	**170,000**	**170,000**	**-**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Education					
From Canada					
Operations and maintenance					
Canadian Heritage - French language programs	$ 2,143,000	$ -	$ 2,143,000	$ 2,212,900	$ (69,900)
Human Resources and Social Development Canada					
- skills development	1,125,000	-	1,125,000	1,028,577	96,423
- older workers' initiative	286,000	202,000	488,000	487,500	500
- labour market agreement	-	1,457,000	1,457,000	1,457,000	-
- labour market development agreement	-	1,750,000	1,750,000	1,214,833	535,167
- foreign credential recognition program	-	77,000	77,000	73,449	3,551
Immigration portal	200,000	-	200,000	140,320	59,680
Student financial assistance					
- Canada student loan	41,000	15,000	56,000	95,613	(39,613)
- Canada study grants	70,000	-	70,000	26,790	43,210
Capital					
Human Resources and Social Development Canada					
- foreign credential recognition program	-	2,000	2,000	1,506	494
- labour market development agreement	-	54,000	54,000	35,501	18,499
Knowledge infrastructure program					
- Dawson City campus	-	150,000	150,000	94,000	56,000
- Pelly Crossing campus	-	100,000	100,000	5,572	94,428
	3,865,000	3,807,000	7,672,000	6,873,561	798,439
Less funding for tangible capital assets transferred to deferred capital contributions	-	(300,000)	(300,000)	(135,073)	(164,927)
	3,865,000	3,507,000	7,372,000	6,738,488	633,512

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Education					
Taxes and general revenues					
Extension programs fees	$ 5,000	$ -	$ 5,000	$ 1,450	$ 3,550
Summer school fees	10,000	-	10,000	12,980	(2,980)
Apprenticeship certification	1,000	-	1,000	1,552	(552)
Trade school registration fees	1,000	-	1,000	-	1,000
	17,000	-	17,000	15,982	1,018
Third-party recoveries					
Operations and maintenance					
Student accommodation	120,000	-	120,000	141,360	(21,360)
Staff accommodation rental	5,000	-	5,000	6,274	(1,274)
Council of Ministers of Education of Canada agreement - monitors	224,000	-	224,000	212,072	11,928
Stikine students	145,000	-	145,000	106,875	38,125
Yukon Teachers' Association - substitute teachers	35,000	-	35,000	66,476	(31,476)
Charles R. Bronfman Foundation Heritage	4,000	-	4,000	1,500	2,500
Student information and assessments	9,000	-	9,000	-	9,000
Student financial assistance - Millennium Scholarship Fund	50,000	(50,000)	-	-	-
	592,000	(50,000)	542,000	534,557	7,443
Amortization of deferred capital contributions	196,000	-	196,000	196,612	(612)
Total revenues	**4,670,000**	**3,457,000**	**8,127,000**	**7,485,639**	**641,361**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources					
From Canada					
Operations and maintenance					
Parks Canada - library access	$ 10,000	$ -	$ 10,000	$ 10,470	$ (470)
Agriculture Canada					
- growing forward agreement	592,000	-	592,000	488,978	103,022
- rent	3,000	-	3,000	3,000	-
Natural Resources Canada					
- Energy Solutions Centre	75,000	23,000	98,000	101,000	(3,000)
- geo-mapping for energy and minerals	-	862,000	862,000	862,000	-
Indian and Northern Affairs Canada - Type II mine sites	22,977,000	(2,660,000)	20,317,000	18,106,155	2,210,845
Fisheries and Oceans Canada					
- Yukon Placer Secretariat	100,000	-	100,000	100,000	-
Canadian forest pest strategy	-	195,000	195,000	225,910	(30,910)
Strategic investment in northern economic development	-	250,000	250,000	223,416	26,584
Capital					
H.S. Bostock core library project	-	110,000	110,000	213,006	(103,006)
Forestry research infrastructure upgrade	-	545,000	545,000	344,138	200,862
Indian and Northern Affairs Canada - Type II mine sites	-	1,600,000	1,600,000	2,470,489	(870,489)
Strategic investment in northern economic development	-	-	-	10,920	(10,920)
	23,757,000	925,000	24,682,000	23,159,482	1,522,518
Less funding for tangible capital assets transferred to deferred capital contributions	-	(2,155,000)	(2,155,000)	(2,974,344)	819,344
	23,757,000	(1,230,000)	22,527,000	20,185,138	2,341,862

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources					
Taxes and general revenues					
Lands					
- lands administration/interest	$ 15,000	$ -	$ 15,000	$ 71,191	$ (56,191)
- unearned equity	-	-	-	5,480	(5,480)
- land sales fees	20,000	-	20,000	27,494	(7,494)
- land leases	130,000	-	130,000	177,783	(47,783)
- land use fees	14,000	-	14,000	(3,432)	17,432
- quarrying royalties and leases	32,000	-	32,000	77,692	(45,692)
- sale of undeveloped land	150,000	-	150,000	526,349	(376,349)
Community land planning					
- application fees	7,000	-	7,000	6,600	400
Forest Management					
- application fees	10,000	-	10,000	2,957	7,043
- stumpage dues	20,000	-	20,000	9,938	10,062
- engineering levy	5,000	-	5,000	12,711	(7,711)
Agricultural land application and grazing lease fees	5,000	-	5,000	6,789	(1,789)
Energy Solutions Centre					
- equipment rental	1,000	-	1,000	-	1,000
- energy efficiency courses	34,000	-	34,000	21,875	12,125
Oil and gas resource revenue					
- royalties	700,000	(400,000)	300,000	429,773	(129,773)
- rentals and administration	15,000	-	15,000	14,639	361
Sale of maps	10,000	-	10,000	4,584	5,416

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources					
Taxes and general revenues (continued)					
Mineral resources					
- coal leases, permits and royalties	$ 30,000	$ -	$ 30,000	$ 31,821	$ (1,821)
- placer mining fees	245,000	-	245,000	222,917	22,083
- quartz mining fees and leases	680,000	-	680,000	2,010,796	(1,330,796)
- maps, publications and charts	5,000	-	5,000	5,700	(700)
	2,128,000	(400,000)	1,728,000	3,663,657	(1,935,657)
Third-party recoveries					
Operations and maintenance					
Land - legal surveys	10,000	-	10,000	-	10,000
Agriculture conference	2,000	-	2,000	2,019	(19)
Master gardener course	2,000	-	2,000	-	2,000
Anvil Range (Faro) inventory transferred	-	-	-	609,669	(609,669)
Capital					
Agricultural land development	450,000	100,000	550,000	50,143	499,857
Joint First Nations/Yukon Government land management project	-	194,000	194,000	-	194,000
	464,000	294,000	758,000	661,831	96,169
Less land recoveries transferred to land held for sale	(450,000)	(100,000)	(550,000)	(50,143)	(499,857)
	14,000	194,000	208,000	611,688	(403,688)
Amortization of deferred capital contributions	10,000	374,000	384,000	181,333	202,667
Total revenues	**25,909,000**	**(1,062,000)**	**24,847,000**	**24,641,816**	**205,184**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Environment					
From Canada					
Operations and maintenance					
Inuvialuit Final Agreement	$ 966,000	$ 47,000	$ 1,013,000	$ 965,807	$ 47,193
Environmental sustainability					
- miscellaneous partnerships	100,000	-	100,000	44,900	55,100
- northern research basins workshop and symposium	-	10,000	10,000	10,000	-
Adaptive management for water users responding to climate change agreement	-	146,000	146,000	142,433	3,567
Infrastructure vulnerability to permafrost agreement	-	198,000	198,000	186,829	11,171
Supporting the development of regional climate change scenarios agreement	-	200,000	200,000	200,000	-
Yukon forest adaptive capacity to climate change agreement	-	125,000	125,000	125,000	-
Parks Canada - Porcupine Caribou Herd	-	-	-	6,000	(6,000)
Special waste collection	-	-	-	4,527	(4,527)
Capital					
Yukon Wildlife Preserve Animal Research Facility	-	929,000	929,000	929,000	-
Inuvialuit Final Agreement	-	3,000	3,000	-	3,000
NatureServe Canada - prior year adjustment	-	-	-	(5,000)	5,000
Tombstone Territorial Park improvements	-	-	-	70,000	(70,000)
	1,066,000	1,658,000	2,724,000	2,679,496	44,504
Less funding for tangible capital assets transferred to deferred capital contributions	-	(929,000)	(929,000)	(999,000)	70,000
	1,066,000	729,000	1,795,000	1,680,496	114,504
Taxes and general revenues					
Campground permits	306,000	-	306,000	296,933	9,067
Wilderness tourism licensing	8,000	-	8,000	9,400	(1,400)
Hunting licences and seals	342,000	-	342,000	377,909	(35,909)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Environment					
Taxes and general revenues (continued)					
Trapping and fur licences	$ 6,000	$ -	$ 6,000	$ 6,549	$ (549)
Fishing licences	250,000	-	250,000	257,975	(7,975)
Outfitting fees	10,000	-	10,000	7,046	2,954
Environmental permits and fees	-	-	-	2,175	(2,175)
	922,000	-	922,000	957,987	(35,987)
Third-party recoveries					
Operations and maintenance					
Yukon Wildlife Preserve	50,000	-	50,000	-	50,000
Advertising recoveries - publications	10,000	-	10,000	11,578	(1,578)
Mapping recoveries	10,000	-	10,000	3,298	6,702
Miscellaneous partnerships	100,000	-	100,000	58,376	41,624
Freshwater fisheries agreement - Yukon Development Corporation	20,000	-	20,000	-	20,000
Compulsory inspections - Province of British Columbia	2,000	-	2,000	1,500	500
Conservation Action Team	2,000	-	2,000	3,150	(1,150)
Special waste collection	120,000	-	120,000	116,324	3,676
Association of Fish and Wildlife Agencies - western regional wildlife disease workshop	-	6,000	6,000	5,830	170
Trapper education workshops	-	10,000	10,000	10,000	-
Fishing Branch - Bear Cave Mountain	-	-	-	1,500	(1,500)
	314,000	16,000	330,000	211,556	118,444
Total revenues	**2,302,000**	**745,000**	**3,047,000**	**2,850,039**	**196,961**

Schedule 2

GOVERNMENT OF YUKON

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Finance					
From Canada					
Formula Financing grant	$ 611,707,000	$ -	$ 611,707,000	$ 611,707,489	$ (489)
Canada health transfer	26,457,000	-	26,457,000	25,177,000	1,280,000
Canada social transfer	10,750,000	-	10,750,000	10,810,000	(60,000)
Building Canada plan	26,068,000	(26,068,000)	-	-	-
Wait times reduction transfer	-	-	-	249,000	(249,000)
	674,982,000	(26,068,000)	648,914,000	647,943,489	970,511
Taxes and general revenues					
Personal income tax	51,263,000	5,218,000	56,481,000	57,902,213	(1,421,213)
Corporate income tax	11,209,000	(6,131,000)	5,078,000	5,537,701	(459,701)
Fuel oil tax - diesel	3,102,000	-	3,102,000	3,077,331	24,669
Fuel oil tax - other	3,763,000	-	3,763,000	3,720,595	42,405
Insurance premium tax	1,693,000	-	1,693,000	1,866,836	(173,836)
Tobacco tax	11,611,000	-	11,611,000	11,126,726	484,274
Banking and investment	1,606,000	-	1,606,000	1,206,086	399,914
Interest on accounts receivable	10,000	-	10,000	1,731	8,269
Exchange	4,000	-	4,000	2,571	1,429
Miscellaneous revenue	44,000	-	44,000	30,993	13,007
Income from portfolio investments	-	-	-	1,545,383	(1,545,383)
Interest on advances to Territorial Corporations	-	-	-	69,178	(69,178)
Business loan interest	-	-	-	55,441	(55,441)
Prior years' revenue	-	506,000	506,000	-	506,000
	84,305,000	(407,000)	83,898,000	86,142,785	(2,244,785)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Finance					
Third-party recoveries					
Operations and maintenance					
Workers' Compensation Health and Safety Board payroll	$ 6,000	$ -	$ 6,000	$ 6,000	$ -
Charge card incentive	10,000	-	10,000	83,631	(73,631)
	16,000	-	16,000	89,631	(73,631)
Total revenues	**759,303,000**	**(26,475,000)**	**732,828,000**	**734,175,905**	**(1,347,905)**
Health and Social Services					
From Canada					
Grants from Canada					
Territorial health access fund	4,333,000	-	4,333,000	4,333,333	(333)
Territorial health access fund - Operational Secretariat	2,000,000	-	2,000,000	2,000,000	-
Medical travel fund	1,600,000	-	1,600,000	1,600,000	-
Operations and maintenance					
Child welfare					
- Indian and Northern Affairs Canada (INAC)	7,557,000	968,000	8,525,000	9,092,429	(567,429)
- INAC child welfare prior year recovery	-	-	-	165,538	(165,538)
Federal child benefit	553,000	40,000	593,000	538,311	54,689
Transition homes - INAC	296,000	-	296,000	220,276	75,724
Youth criminal justice	1,302,000	100,000	1,402,000	1,402,216	(216)
Social services - INAC	412,000	-	412,000	141,966	270,034

Schedule of Revenues by Department
for the year ended March 31, 2010

Health and Social Services

From Canada (continued)

Operations and maintenance (continued)

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Social services - INAC - assisted living foster care	$ -	$ -	$ -	$ 125,351	$ (125,351)
Yukon child benefit - INAC	1,338,000	-	1,338,000	1,338,000	-
Continuing care facilities - INAC	2,819,000	99,000	2,918,000	2,937,282	(19,282)
Continuing care facilities - prior year recoveries					
- Copper Ridge	-	-	-	71,269	(71,269)
Home care - INAC	100,000	25,000	125,000	139,811	(14,811)
Chronic conditions surveillance	200,000	-	200,000	27,005	172,995
Diabetes and chronic disease prior year reduction	-	-	-	(68,338)	68,338
Travel recoveries					
- First Nations benefits	926,000	46,000	972,000	1,396,878	(424,878)
Hearing assessments and aids	25,000	-	25,000	115,710	(90,710)
Community nursing					
- Lower Post recovery	15,000	-	15,000	7,895	7,105
Internationally educated health professionals	238,000	-	238,000	2,313	235,687
Patient wait times guarantee pilot project	698,000	(62,000)	636,000	360,063	275,937
Alcohol and drug services					
- treatment systems	-	60,000	60,000	60,390	(390)
- detox and treatment practices standardization	-	280,000	280,000	61,601	218,399
Aboriginal health transition fund	-	246,000	246,000	246,219	(219)
Community health - tobacco quit line	-	100,000	100,000	22,919	77,081
Public Health Agency of Canada	-	50,000	50,000	50,000	-
Human Papilloma Virus Study	-	-	-	87,000	(87,000)
H1N1 pregnancy survey - congenital anomalies survey	-	-	-	20,305	(20,305)
Drugs and vaccines - Teslin	-	-	-	144	(144)
Environmental health	-	-	-	(293)	293

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services					
From Canada (continued)					
Capital					
Affordable housing economic stimulus initiative - children's receiving home replacement	$ -	$ 1,237,000	$ 1,237,000	$ 891,208	$ 345,792
	24,412,000	3,189,000	27,601,000	27,386,801	214,199
Less funding for tangible capital assets transferred to deferred capital contributions	-	(1,237,000)	(1,237,000)	(698,728)	(538,272)
	24,412,000	1,952,000	26,364,000	26,688,073	(324,073)
Taxes and general revenues					
Registration and fees	34,000	-	34,000	38,531	(4,531)
Environmental health - inspection/permits	8,000	-	8,000	12,200	(4,200)
	42,000	-	42,000	50,731	(8,731)
Third-party recoveries					
Operations and maintenance					
Family and children's services - client recovery	4,000	-	4,000	2,412	1,588
Social services - client recovery	50,000	-	50,000	44,211	5,789
Continuing care facilities	1,064,000	-	1,064,000	828,339	235,661
Third-party health care costs	4,109,000	-	4,109,000	3,897,514	211,486
Third-party health care costs - prior year overaccrual	-	-	-	(121,823)	121,823
Hearing assessments and aids	255,000	-	255,000	349,706	(94,706)
Community nursing					
- patient services	487,000	-	487,000	580,917	(93,917)
- drugs and vaccines	82,000	-	82,000	76,398	5,602
- rent/utility recoveries	112,000	-	112,000	125,645	(13,645)
- other recoveries	4,000	-	4,000	2,059	1,941

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services					
Third-party recoveries (continued)					
Operations and maintenance (continued)					
Pan-Territorial oral health initiative	$ 345,000	$ (85,000)	$ 260,000	$ 260,000	$ -
Breast health research project	13,000	(13,000)	-	-	-
Infectious disease conference	-	15,000	15,000	15,000	-
Health funding strategy with Nunavut and NWT	-	-	-	74,314	(74,314)
Pan-Territorial orientation	-	-	-	137,289	(137,289)
Capital					
Systems development	600,000	294,000	894,000	886,954	7,046
	7,125,000	211,000	7,336,000	7,158,935	177,065
Less funding for tangible capital assets transferred to deferred capital contributions	(600,000)	87,000	(513,000)	(398,765)	(114,235)
	6,525,000	298,000	6,823,000	6,760,170	62,830
Amortization of deferred capital contributions	1,679,000	(1,028,000)	651,000	749,536	(98,536)
Total revenues	**32,658,000**	**1,222,000**	**33,880,000**	**34,248,510**	**(368,510)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works					
From Canada					
Operations and maintenance					
Information and communications service agreements	$ 1,117,000	$ (872,000)	$ 245,000	$ 106,539	$ 138,461
Transportation recoverable services	29,000	75,000	104,000	116,099	(12,099)
National safety code agreement	128,000	-	128,000	127,930	70
Airports	43,000	1,000	44,000	1,975	42,025
French Language Services Directorate - Canadian Heritage	1,740,000	-	1,740,000	1,735,325	4,675
Property Management service agreement	-	-	-	93,527	(93,527)
Capital					
Corporate computer equipment and systems	9,000	-	9,000	7,608	1,392
Mobile communications solution - RCMP	5,029,000	-	5,029,000	4,692,109	336,891
Canadian strategic infrastructure fund					
- Alaska Highway	84,000	-	84,000	86,780	(2,780)
- Whitehorse Airport terminal building	-	5,000,000	5,000,000	5,060,491	(60,491)
Aviation/Yukon airports	31,000	(31,000)	-	(15,000)	15,000
Project management services	500,000	1,800,000	2,300,000	147,321	2,152,679
French Language Services Directorate					
- Office furniture, equipment and systems	15,000	-	15,000	15,000	-
Aviation/Yukon airport operations support equipment	-	69,000	69,000	67,614	1,386
Infrastructure stimulus fund - various secondary roads	-	278,000	278,000	264,485	13,515
Building Canada Fund					
- Campbell Highway	-	5,787,000	5,787,000	5,541,630	245,370
- pavement rehabilitation	-	1,809,000	1,809,000	1,809,000	-
- pavement rehabilitation - prior year's recovery	-	1,191,000	1,191,000	1,191,000	-
	8,725,000	15,107,000	23,832,000	21,049,433	2,782,567
Less funding for tangible capital assets transferred to deferred capital contributions	(84,000)	(10,856,000)	(10,940,000)	(13,392,049)	2,452,049
	8,641,000	4,251,000	12,892,000	7,657,384	5,234,616

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works					
Taxes and general revenues					
Access to Information and Protection of Privacy	$ 10,000	$ -	$ 10,000	$ 6,753	$ 3,247
Highway information signs/permits	17,000	-	17,000	10,300	6,700
Aviation operations	869,000	(10,000)	859,000	825,608	33,392
Motor Transport Board fees	14,000	-	14,000	16,294	(2,294)
Weigh station fees	82,000	-	82,000	119,470	(37,470)
Adult French language class fees	19,000	(5,000)	14,000	14,370	(370)
	1,011,000	(15,000)	996,000	992,795	3,205
Third-party recoveries					
Operations and maintenance					
Deposit forfeitures	1,000	-	1,000	-	1,000
Information and communications service agreements	264,000	-	264,000	259,432	4,568
Highways employee housing	35,000	-	35,000	19,616	15,384
Transportation recoverable services	271,000	96,000	367,000	336,154	30,846
Airports	1,529,000	20,000	1,549,000	1,607,794	(58,794)
Queen's Printer subscriptions	65,000	-	65,000	44,803	20,197
Travel agent processing	38,000	-	38,000	29,332	8,668
Adult French language class fees	2,000	(1,000)	1,000	1,295	(295)
Property management - leases/facility agreements	763,000	-	763,000	947,030	(184,030)
Capital					
Alaska Highway - Shakwak	23,600,000	1,661,000	25,261,000	21,230,352	4,030,648
Sale of government surplus equipment	15,000	68,000	83,000	115,882	(32,882)
Project management services	500,000	-	500,000	-	500,000
	27,083,000	1,844,000	28,927,000	24,591,690	4,335,310
Less funding for tangible capital assets transferred to deferred capital contributions	(22,540,000)	(1,661,000)	(24,201,000)	(20,500,643)	(3,700,357)
	4,543,000	183,000	4,726,000	4,091,047	634,953

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works					
Amortization of deferred capital contributions	$ 14,748,000	$ (381,000)	$ 14,367,000	$ 14,479,232	$ (112,232)
Total revenues	**28,943,000**	**4,038,000**	**32,981,000**	**27,220,458**	**5,760,542**
Justice					
From Canada					
Operations and maintenance					
Child support guidelines	207,000	1,000	208,000	205,998	2,002
Legal aid	864,000	47,000	911,000	911,000	-
Aboriginal courtworker program	158,000	88,000	246,000	236,492	9,508
Yukon Public Legal Education Association	70,000	-	70,000	70,000	-
Exchange of service agreement	30,000	-	30,000	38,018	(8,018)
Parole supervision	70,000	(40,000)	30,000	12,000	18,000
Outreach worker	50,000	-	50,000	50,000	-
Counselling for kids	50,000	-	50,000	43,714	6,286
Victim services for communities	8,000	(8,000)	-	-	-
Victims of crime conference	-	65,000	65,000	43,393	21,607
Capital					
Court registry information system	-	37,000	37,000	18,000	19,000
	1,507,000	190,000	1,697,000	1,628,615	68,385
Taxes and general revenues					
Fines - Territorial Court	400,000	-	400,000	358,928	41,072
Sheriff's Office	20,000	10,000	30,000	44,805	(14,805)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Justice					
Taxes and general revenues (continued)					
Public guardian and trustee fees	$ 40,000	$ -	$ 40,000	$ 32,955	$ 7,045
Land titles fees	240,000	-	240,000	262,217	(22,217)
	700,000	10,000	710,000	698,905	11,095
Third-party recoveries					
Operations and maintenance					
Witness program - videoconferencing	4,000	-	4,000	2,136	1,864
Public Utilities Board hearings	100,000	23,000	123,000	154,116	(31,116)
Outreach worker - Province of British Columbia	10,000	-	10,000	10,680	(680)
Worker advocate	354,000	-	354,000	309,014	44,986
	468,000	23,000	491,000	475,946	15,054
Total revenues	**2,675,000**	**223,000**	**2,898,000**	**2,803,466**	**94,534**
Public Service Commission					
From Canada					
Operations and maintenance					
Staff development - operations	15,000	-	15,000	3,950	11,050
Third-party recoveries					
Operations and maintenance					
Staff development - operations	30,000	-	30,000	21,509	8,491
Total Revenues	**45,000**	-	**45,000**	**25,459**	**19,541**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Tourism and Culture					
From Canada					
Operations and maintenance					
Targeted investment program - tourism marketing	$ -	$ 245,000	$ 245,000	$ 255,000	$ (10,000)
Marketing operations: North America - Destination Yukon	-	440,000	440,000	344,000	96,000
Capital					
Historic places initiative	225,000	-	225,000	220,797	4,203
Guild Hall - infrastructure stimulus fund	-	10,000	10,000	-	10,000
	225,000	695,000	920,000	819,797	100,203
Taxes and general revenues					
Yukon Beringia Interpretive Centre	70,000	-	70,000	74,489	(4,489)
Archives - photocopier fees	6,000	-	6,000	1,919	4,081
Archives - sale of photographs	6,000	-	6,000	8,757	(2,757)
Vacation guide advertising revenue	115,000	-	115,000	98,871	16,129
	197,000	-	197,000	184,036	12,964
Third-party recoveries					
Operations and maintenance					
Yukon Lottery Commission	240,000	-	240,000	207,410	32,590
Joint Yukon/Alaska marketing program	123,000	-	123,000	115,291	7,709
	363,000	-	363,000	322,701	40,299
Total revenues	**785,000**	**695,000**	**1,480,000**	**1,326,534**	**153,466**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Yukon Liquor Corporation					
Taxes and general revenues					
Corporate net income	$ 7,229,000	$ (212,000)	$ 7,017,000	$ 7,546,686	$ (529,686)
Liquor tax	3,446,000	-	3,446,000	3,637,167	(191,167)
Total revenues	**10,675,000**	**(212,000)**	**10,463,000**	**11,183,853**	**(720,853)**
Interest					
Taxes and general revenues					
Operations and maintenance					
Interest	**206,000**	-	**206,000**	**206,209**	**(209)**
Restricted Funds					
Taxes and general revenues					
Operations and maintenance					
Gain (loss) on sale of tangible capital assets	-	-	-	162,012	(162,012)
Third-party recoveries					
Operations and maintenance					
Restricted funds	-	-	-	1,577,282	(1,577,282)
Amortization of deferred capital contributions	-	-	-	34,643	(34,643)
Total revenues	-	-	-	**1,773,937**	**(1,773,937)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2010

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Totals					
From Canada	$ 748,194,000	$ 12,692,000	$ 760,886,000	$ 746,722,117	$ 14,163,883
Taxes and general revenues	109,754,000	(539,000)	109,215,000	116,602,539	(7,387,539)
Third-party recoveries	72,245,000	(16,134,000)	56,111,000	39,889,803	16,221,197
Less: Funding for tangible capital assets transferred to deferred capital contributions	(23,596,000)	(19,574,000)	(43,170,000)	(44,219,621)	1,049,621
Land recoveries transferred to land held for sale	(29,061,000)	15,937,000	(13,124,000)	(720,832)	(12,403,168)
Local improvement recoveries transferred to loans receivable	(1,200,000)	-	(1,200,000)	(508,234)	(691,766)
Amortization of deferred capital contributions	16,875,000	(1,043,000)	15,832,000	15,877,816	(45,816)
Total revenues	**$ 893,211,000**	**$ (8,661,000)**	**$ 884,550,000**	**$ 873,643,588**	**$ 10,906,412**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Yukon Legislative Assembly			
Operations and maintenance			
Legislative services	$ 2,893,715	$ 2,895,489	$ (1,774)
Legislative Assembly Office	876,634	786,697	89,937
Retirement allowances and death benefits	1,237,501	1,781,987	(544,486)
Hansard	364,433	416,943	(52,510)
Conflicts Commission	57,284	36,830	20,454
	5,429,567	5,917,946	(488,379)
Capital			
Legislative Assembly Office	97,846	138,090	(40,244)
Less acquisition of tangible capital assets	(55,647)	(106,365)	50,718
	42,199	31,725	10,474
Amortization expenses	20,369	4,168	16,201
Total expenses	**5,492,135**	**5,953,839**	**(461,704)**
Elections Office			
Operations and maintenance			
Elections	318,775	314,308	4,467
Capital			
Elections	1,750	5,000	(3,250)
Total expenses	**320,525**	**319,308**	**1,217**
Office of the Ombudsman			
Operations and maintenance			
Office of the Ombudsman	532,293	515,766	16,527
Capital			
Office of the Ombudsman	1,895	4,999	(3,104)
Total expenses	**534,188**	**520,765**	**13,423**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Child and Youth Advocate Office			
Operations and maintenance			
Child and youth advocate office	$ 175,462	$ -	$ 175,462
Capital			
Child and youth advocate office	35,804	-	35,804
Total expenses	**211,266**	-	**211,266**
Executive Council Office			
Operations and maintenance			
Corporate services	4,012,491	4,031,685	(19,194)
Land Claims and Implementation Secretariat	6,443,124	6,122,247	320,877
Intergovernmental relations	1,623,522	1,170,859	452,663
Government audit services	447,865	306,531	141,334
Governance liaison and capacity development	1,272,664	683,145	589,519
Office of the Commissioner	166,352	159,252	7,100
Development assessment	788,227	1,007,316	(219,089)
Cabinet Offices	2,452,532	2,452,630	(98)
Yukon Water Board Secretariat	957,711	729,391	228,320
Youth Directorate	885,271	906,314	(21,043)
Northern strategy	2,104,827	2,186,505	(81,678)
	21,154,586	19,755,875	1,398,711
Capital			
Corporate services	131,583	112,091	19,492
Land Claims and Implementation Secretariat	32,687	62,960	(30,273)
	164,270	175,051	(10,781)
Less acquisition of tangible capital assets	(24,247)	-	(24,247)
	140,023	175,051	(35,028)
Amortization expenses	14,011	15,565	(1,554)
Total expenses	**21,308,620**	**19,946,491**	**1,362,129**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Community Services			
Operations and maintenance			
Corporate services	$ 3,642,355	$ 5,011,414	$ (1,369,059)
Protective services	22,977,808	21,527,832	1,449,976
Community development	33,412,877	30,674,754	2,738,123
Consumer and safety services	4,591,296	4,525,742	65,554
	64,624,336	61,739,742	2,884,594
Capital			
Corporate services	1,206,380	642,546	563,834
Protective services	3,691,132	4,006,409	(315,277)
Community development	33,240,929	24,567,213	8,673,716
	38,138,441	29,216,168	8,922,273
Less: Acquisition of tangible capital assets	(9,795,793)	(3,787,301)	(6,008,492)
Land development costs transferred to land held for sale	(7,412,738)	(6,557,361)	(855,377)
Local improvement costs transferred to loans receivable	(937,419)	(1,061,104)	123,685
	19,992,491	17,810,402	2,182,089
Amortization expenses	1,694,508	1,334,399	360,109
Write-down/disposal loss of tangible capital assets	-	20,000	(20,000)
Total expenses	**86,311,335**	**80,904,543**	**5,406,792**
Economic Development			
Operations and maintenance			
Corporate services	1,120,110	1,122,373	(2,263)
Corporate planning and economic policy	1,493,936	1,457,181	36,755
Regional economic development	555,204	773,135	(217,931)
Business and industry development	3,379,247	3,279,646	99,601
	6,548,497	6,632,335	(83,838)

Schedule 3

GOVERNMENT OF YUKON

Comparative Schedule of Expenses
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Economic Development			
Capital			
Corporate services	$ 112,652	$ 88,140	$ 24,512
Corporate planning and economic policy	121,666	117,770	3,896
Business and trade	-	577,945	(577,945)
Regional economic development	3,611,684	4,097,399	(485,715)
Strategic industries development	-	1,018,004	(1,018,004)
Business and industry development	4,017,510	1,201,000	2,816,510
	7,863,512	7,100,258	763,254
Less acquisition of tangible capital assets	(13,265)	(40,000)	26,735
	7,850,247	7,060,258	789,989
Amortization expenses	39,289	36,927	2,362
Write-down/disposal loss of tangible capital assets	1,952	-	1,952
Total expenses	**14,439,985**	**13,729,520**	**710,465**
Education			
Operations and maintenance			
Education support services	6,244,852	6,337,398	(92,546)
Public schools	85,483,605	84,389,086	1,094,519
Advanced education	10,477,454	7,845,871	2,631,583
Yukon College	19,448,985	18,137,108	1,311,877
	121,654,896	116,709,463	4,945,433
Capital			
Education support services	76,687	82,533	(5,846)
Public schools	4,870,854	4,440,150	430,704
Advanced education	1,887,897	1,583,142	304,755
Yukon College	1,702,567	1,478,814	223,753
	8,538,005	7,584,639	953,366

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Education			
Less acquisition of tangible capital assets	$ (1,006,942)	$ (527,351)	$ (479,591)
	7,531,063	7,057,288	473,775
Amortization expenses	5,703,601	5,664,394	39,207
Write-down/disposal loss of tangible capital assets	-	941,809	(941,809)
Total expenses	**134,889,560**	**130,372,954**	**4,516,606**
Energy, Mines and Resources			
Operations and maintenance			
Corporate services	2,842,521	2,860,167	(17,646)
Sustainable resources	7,388,443	6,728,515	659,928
Energy and corporate policy	3,422,291	3,192,271	230,020
Oil and gas and mineral resources	30,296,947	18,506,434	11,790,513
Yukon placer regime	368,008	314,225	53,783
Client services and inspections	4,793,690	4,569,604	224,086
	49,111,900	36,171,216	12,940,684
Capital			
Corporate services	946,109	444,174	501,935
Sustainable resources	1,366,433	537,390	829,043
Oil and gas and mineral resources	5,111,503	2,273,816	2,837,687
	7,424,045	3,255,380	4,168,665
Less: Acquisition of tangible capital assets	(3,348,307)	(330,388)	(3,017,919)
Land development costs transferred to land held for sale	(517,931)	(55,989)	(461,942)
	3,557,807	2,869,003	688,804
Amortization expenses	323,273	180,759	142,514
Total expenses	**52,992,980**	**39,220,978**	**13,772,002**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Environment			
Operations and maintenance			
General management	$ 362,579	$ 375,083	$ (12,504)
Corporate services	7,051,154	6,219,809	831,345
Environmental sustainability	19,113,604	18,381,114	732,490
Environmental liabilities	885,334	2,957,500	(2,072,166)
	27,412,671	27,933,506	(520,835)
Capital			
Corporate services	1,878,032	649,013	1,229,019
Environmental sustainability	864,553	836,629	27,924
	2,742,585	1,485,642	1,256,943
Less acquisition of tangible capital assets	(1,320,584)	(116,605)	(1,203,979)
	1,422,001	1,369,037	52,964
Amortization expenses	170,582	162,129	8,453
Total expenses	**29,005,254**	**29,464,672**	**(459,418)**
Finance			
Operations and maintenance			
Treasury	6,182,039	5,725,707	456,332
Workers' compensation supplementary benefits	393,229	397,030	(3,801)
Bad debts expense	43,019	47,329	(4,310)
	6,618,287	6,170,066	448,221
Capital			
Treasury	59,059	50,287	8,772
Amortization expenses	4,132	4,132	-
Total expenses	**6,681,478**	**6,224,485**	**456,993**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Health and Social Services			
Operations and maintenance			
Policy, planning and administration	$ 7,584,365	$ 6,747,741	$ 836,624
Family and children's services	37,989,693	35,935,846	2,053,847
Social services	28,606,592	24,217,507	4,389,085
Continuing care	26,830,607	24,682,349	2,148,258
Health services	108,013,153	95,748,867	12,264,286
Yukon hospital services	38,019,627	35,387,063	2,632,564
Regional services	5,106,983	4,823,304	283,679
	252,151,020	227,542,677	24,608,343
Capital			
Policy, planning and administration	1,085,585	2,123,389	(1,037,804)
Family and children's services	1,407,951	669,810	738,141
Social services	63,952	88,731	(24,779)
Continuing care	536,007	669,913	(133,906)
Health services	1,676,305	1,238,700	437,605
Yukon hospital services	350,000	667,000	(317,000)
	5,119,800	5,457,543	(337,743)
Less acquisition of tangible capital assets	(1,443,866)	(1,307,720)	(136,146)
	3,675,934	4,149,823	(473,889)
Amortization expenses	1,621,193	2,086,558	(465,365)
Write-down/disposal loss of tangible capital assets	130,456	-	130,456
Total expenses	**257,578,603**	**233,779,058**	**23,799,545**
Highways and Public Works			
Operations and maintenance			
Corporate services	4,792,788	4,352,498	440,290
Information and communications technology	10,036,425	8,218,741	1,817,684
Transportation	50,382,451	50,214,840	167,611
Supply services	3,890,023	3,513,265	376,758
Property management	33,482,448	32,762,389	720,059
French Language Services Directorate	2,064,560	2,069,951	(5,391)
Central Stores write-off	15,031	(11,030)	26,061
	104,663,726	101,120,654	3,543,072

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Highways and Public Works			
Less capital lease payments transferred to capital lease obligations	$ (1,247,032)	$ (1,104,800)	$ (142,232)
	103,416,694	100,015,854	3,400,840
Capital			
Corporate services	686,727	592,031	94,696
Information and communications technology	16,211,115	11,036,602	5,174,513
Transportation	67,953,233	59,417,882	8,535,351
Property management	5,651,358	5,835,872	(184,514)
French Language Services Directorate	9,531	3,020	6,511
	90,511,964	76,885,407	13,626,557
Less acquisition of tangible capital assets	(59,563,844)	(47,871,057)	(11,692,787)
	30,948,120	29,014,350	1,933,770
Amortization expenses	21,658,371	20,585,381	1,072,990
Total expenses	**156,023,185**	**149,615,585**	**6,407,600**
Justice			
Operations and maintenance			
Management services	2,468,519	2,439,603	28,916
Court services	6,332,285	6,617,097	(284,812)
Legal services	5,054,359	4,995,337	59,022
Regulatory services	1,443,564	1,563,317	(119,753)
Correctional services	10,848,002	9,984,357	863,645
Community justice and public safety division	1,812,898	1,606,434	206,464
Human rights	635,025	582,007	53,018
Victim services and community justice	2,102,345	2,095,000	7,345
Policing and investigation services	25,565,531	17,134,000	8,431,531
	56,262,528	47,017,152	9,245,376

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Justice			
Capital			
Management services	$ 416,521	$ 220,424	$ 196,097
Court services	25,739	14,769	10,970
Community and correctional services	25,561,883	4,040,698	21,521,185
Policing and investigation services	12,675	19,555	(6,880)
	26,016,818	4,295,446	21,721,372
Less acquisition of tangible capital assets	(25,863,372)	(3,896,521)	(21,966,851)
	153,446	398,925	(245,479)
Amortization expenses	1,152,234	820,799	331,435
Total expenses	**57,568,208**	**48,236,876**	**9,331,332**
Public Service Commission			
Operations and maintenance			
Finance and administration	814,148	738,312	75,836
Corporate human resource services	3,364,335	3,021,848	342,487
Employee compensation	1,459,862	1,416,980	42,882
Staff relations	1,273,009	1,210,012	62,997
Workers' compensation fund	5,864,830	5,510,102	354,728
Human resource management systems	575,749	597,378	(21,629)
Policy, planning and communication	959,305	934,660	24,645
Employee future benefits	16,285,966	10,326,508	5,959,458
Staff development	4,027,191	3,635,326	391,865
	34,624,395	27,391,126	7,233,269
Capital			
Finance and administration	30,793	68,361	(37,568)
Staff development	54,227	7,000	47,227
	85,020	75,361	9,659
Less acquisition of tangible capital assets	-	(34,025)	34,025
	85,020	41,336	43,684

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Public Service Commission			
Amortization expenses	$ 11,007	$ 7,605	$ 3,402
Total expenses	**34,720,422**	**27,440,067**	**7,280,355**
Tourism and Culture			
Operations and maintenance			
Corporate services	1,730,161	1,824,106	(93,945)
Cultural services	9,825,645	7,393,466	2,432,179
Tourism	8,362,921	8,460,513	(97,592)
	19,918,727	17,678,085	2,240,642
Capital			
Corporate services	283,888	213,679	70,209
Cultural services	2,335,699	1,894,073	441,626
Tourism	944,231	1,054,956	(110,725)
	3,563,818	3,162,708	401,110
Less acquisition of tangible capital assets	-	(51,393)	51,393
	3,563,818	3,111,315	452,503
Amortization expenses	641,114	616,105	25,009
Total expenses	**24,123,659**	**21,405,505**	**2,718,154**
Women's Directorate			
Operations and maintenance			
Policy and program development	1,129,873	1,147,428	(17,555)
Capital			
Policy and program development	4,832	4,670	162
Total expenses	**1,134,705**	**1,152,098**	**(17,393)**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Yukon Development Corporation (Transfer Payment)			
Capital			
Aishihik Turbine	$ 3,750,000	$ 10,000,000	$ (6,250,000)
Interim electrical rebate	2,250,000	750,000	1,500,000
Total expenses	**6,000,000**	**10,750,000**	**(4,750,000)**
Yukon Housing Corporation (Transfer Payment)			
Operations and maintenance	329,980	3,171,299	(2,841,319)
Capital	3,076,269	5,689,041	(2,612,772)
Total expenses	**3,406,249**	**8,860,340**	**(5,454,091)**
Restricted Funds			
Operations and maintenance			
Net expenses	4,497,110	(4,891,803)	9,388,913
Amortization expenses	3,301,017	2,832,732	468,285
Total expenses	**7,798,127**	**(2,059,071)**	**9,857,198**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2010

	2010	2009	Increase (Decrease)
Totals			
Operations and maintenance	$ 777,158,629	$ 702,036,841	$ 75,121,788
Capital	199,445,733	155,335,690	44,110,043
	976,604,362	857,372,531	119,231,831
Less: Acquisition of tangible capital assets	(102,435,867)	(58,068,726)	(44,367,141)
Land development costs transferred to land held for sale	(7,930,669)	(6,613,350)	(1,317,319)
Local improvement costs transferred to loans receivable	(937,419)	(1,061,104)	123,685
Capital lease payments transferred to capital lease obligations	(1,247,032)	(1,104,800)	(142,232)
	864,053,375	790,524,551	73,528,824
Amortization expenses	36,354,701	34,351,653	2,003,048
Write-down/disposal loss of tangible capital assets	132,408	961,809	(829,401)
	$ 900,540,484	**$ 825,838,013**	**$ 74,702,471**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Yukon Legislative Assembly						
Operations and maintenance						
Legislative services	$ 3,320,000	$ -	$ -	$ 3,320,000	$ 2,893,715	$ 426,285
Legislative Assembly Office	744,000	-	-	744,000	876,634	(132,634)
Retirement allowances and death benefits	762,000	421,000	-	1,183,000	1,237,501	(54,501)
Hansard	511,000	-	-	511,000	364,433	146,567
Conflicts Commission	66,000	-	-	66,000	57,284	8,716
	5,403,000	**421,000**	**-**	**5,824,000**	**5,429,567**	**394,433**
Capital						
Legislative Assembly Office	**100,000**	**-**	**-**	**100,000**	**97,846**	**2,154**
Less acquisition of tangible capital assets	(60,000)	3,000	-	(57,000)	(55,647)	(1,353)
	40,000	3,000	-	43,000	42,199	801
Amortization expense	21,000	-	-	21,000	20,369	631
Total expenses	5,464,000	424,000	-	5,888,000	5,492,135	395,865

Schedule 4

GOVERNMENT OF YUKON

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Elections Office						
Operations and maintenance						
Elections	$ 357,000	$ -	$ -	$ 357,000	$ 318,775	$ 38,225
Capital						
Elections	5,000	-	-	5,000	1,750	3,250
Total expenses	362,000	-	-	362,000	320,525	41,475
Office of the Ombudsman						
Operations and maintenance						
Office of the Ombudsman	532,000	19,000	-	551,000	532,293	18,707
Capital						
Office of the Ombudsman	2,000	-	-	2,000	1,895	105
Total expenses	534,000	19,000	-	553,000	534,188	18,812
Child and Youth Advocate Office						
Operations and maintenance						
Child and youth advocate office	-	235,000	-	235,000	175,462	59,538
Capital						
Child and youth advocate office	-	36,000	-	36,000	35,804	196
Total expenses	-	271,000	-	271,000	211,266	59,734

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Executive Council Office						
Operations and maintenance						
Corporate services	$ 4,058,000	$ 70,000	$ -	$ 4,128,000	$ 4,012,491	$ 115,509
Land Claims and Implementation Secretariat	7,697,000	(93,000)	-	7,604,000	6,443,124	1,160,876
Intergovernmental relations	1,442,000	50,000	-	1,492,000	1,623,522	(131,522)
Government audit services	518,000	-	-	518,000	447,865	70,135
Governance liaison and capacity development	1,556,000	(104,000)	-	1,452,000	1,272,664	179,336
Office of the Commissioner	160,000	-	-	160,000	166,352	(6,352)
Development assessment	1,059,000	18,000	-	1,077,000	788,227	288,773
Cabinet Offices	2,369,000	-	-	2,369,000	2,452,532	(83,532)
Yukon Water Board Secretariat	978,000	-	-	978,000	957,711	20,289
Youth Directorate	830,000	100,000	-	930,000	885,271	44,729
Northern strategy	4,489,000	(2,530,000)	-	1,959,000	2,104,827	(145,827)
	25,156,000	**(2,489,000)**	-	**22,667,000**	**21,154,586**	**1,512,414**
Capital						
Corporate services	132,000	-	-	132,000	131,583	417
Land Claims and Implementation Secretariat	117,000	-	-	117,000	32,687	84,313
	249,000	-	-	**249,000**	**164,270**	**84,730**
Less acquisition of tangible capital assets	-	-	-	-	(24,247)	24,247
	249,000	-	-	249,000	140,023	108,977
Amortization expense	14,000	-	-	14,000	14,011	(11)
Total expenses	25,419,000	(2,489,000)	-	22,930,000	21,308,620	1,597,133

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Community Services						
Operations and maintenance						
Corporate services	$ 5,161,000	$ (1,381,000)	$ -	$ 3,780,000	$ 3,642,355	$ 137,645
Protective services	20,870,000	1,995,000	-	22,865,000	22,977,808	(112,808)
Community development	32,060,000	1,769,000	-	33,829,000	33,412,877	416,123
Consumer and safety services	4,627,000	94,000	-	4,721,000	4,591,296	129,704
	62,718,000	**2,477,000**	**-**	**65,195,000**	**64,624,336**	**570,664**
Capital						
Corporate services	631,000	584,000	12,000	1,227,000	1,206,380	20,620
Protective services	3,703,000	810,000	(12,000)	4,501,000	3,691,132	809,868
Community development	55,755,000	(651,000)	-	55,104,000	33,240,929	21,863,071
	60,089,000	**743,000**	**-**	**60,832,000**	**38,138,441**	**22,693,559**
Less: Acquisition of tangible capital assets	(6,893,000)	(518,000)	-	(7,411,000)	(9,795,793)	2,384,793
Land development costs transferred to land held for sale	(28,611,000)	16,037,000	-	(12,574,000)	(7,412,738)	(5,161,262)
Local improvement costs transferred to loans receivable	(1,200,000)	-	-	(1,200,000)	(937,419)	(262,581)
	23,385,000	16,262,000	-	39,647,000	19,992,491	19,654,509
Amortization expense	1,881,000	(203,000)	-	1,678,000	1,694,508	(16,508)
Total expenses	87,984,000	18,536,000	-	106,520,000	86,311,335	20,208,665

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Economic Development						
Operations and maintenance						
Corporate services	$ 1,297,000	$ (120,000)	$ -	$ 1,177,000	$ 1,120,110	$ 56,890
Corporate planning and economic policy	1,487,000	-	-	1,487,000	1,493,936	(6,936)
Business and trade	1,389,000	(1,389,000)	-	-	-	-
Regional economic development	940,000	(204,000)	-	736,000	555,204	180,796
Strategic industries development	1,883,000	(1,883,000)	-	-	-	-
Business and industry development	-	4,175,000	-	4,175,000	3,379,247	795,753
	6,996,000	**579,000**	**-**	**7,575,000**	**6,548,497**	**1,026,503**
Capital						
Corporate services	56,000	45,000	15,000	116,000	112,652	3,348
Corporate planning and economic policy	200,000	(15,000)	-	185,000	121,666	63,334
Business and trade	1,908,000	(1,908,000)	-	-	-	-
Regional economic development	4,350,000	837,000	-	5,187,000	3,611,684	1,575,316
Strategic industries development	2,577,000	(2,577,000)	-	-	-	-
Business and industry development	-	6,405,000	(15,000)	6,390,000	4,017,510	2,372,490
	9,091,000	**2,787,000**	**-**	**11,878,000**	**7,863,512**	**4,014,488**
Less acquisition of tangible capital assets	-	-	-	-	(13,265)	13,265
	9,091,000	2,787,000	-	11,878,000	7,850,247	4,027,753
Amortization expense	39,000	-	-	39,000	39,289	(289)
Write-down/disposal loss of tangible capital assets	-	-	-	-	1,952	(1,952)
Total expenses	16,126,000	3,366,000	-	19,492,000	14,439,985	5,052,015

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Education						
Operations and maintenance						
Education support services	$ 6,395,000	$ 134,000	$ -	$ 6,529,000	$ 6,244,852	$ 284,148
Public schools	85,665,000	1,094,000	-	86,759,000	85,483,605	1,275,395
Advanced education	8,483,000	3,738,000	-	12,221,000	10,477,454	1,743,546
Yukon College	19,239,000	635,000	-	19,874,000	19,448,985	425,015
	119,782,000	**5,601,000**	**-**	**125,383,000**	**121,654,896**	**3,728,104**
Capital						
Education support services	49,000	34,000	-	83,000	76,687	6,313
Public schools	5,722,000	1,640,000	-	7,362,000	4,870,854	2,491,146
Advanced education	1,770,000	456,000	-	2,226,000	1,887,897	338,103
Yukon College	849,000	1,378,000	-	2,227,000	1,702,567	524,433
	8,390,000	**3,508,000**	**-**	**11,898,000**	**8,538,005**	**3,359,995**
Less acquisition of tangible capital assets	(995,000)	(984,000)	-	(1,979,000)	(1,006,942)	(972,058)
	7,395,000	2,524,000	-	9,919,000	7,531,063	2,387,937
Amortization expense	5,679,000	-	-	5,679,000	5,703,601	(24,601)
Total expenses	132,856,000	8,125,000	-	140,981,000	134,889,560	6,091,440

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources						
Operations and maintenance						
Corporate services	$ 3,015,000	$ (105,000)	$ (25,000)	$ 2,885,000	$ 2,842,521	$ 42,479
Sustainable resources	7,448,000	405,000	25,000	7,878,000	7,388,443	489,557
Energy, corporate policy and communications	3,453,000	173,000	-	3,626,000	3,422,291	203,709
Oil and gas and mineral resources	33,964,000	(1,379,000)	-	32,585,000	30,296,947	2,288,053
Yukon Placer Secretariat	307,000	69,000	-	376,000	368,008	7,992
Client services and inspections	4,934,000	-	-	4,934,000	4,793,690	140,310
	53,121,000	**(837,000)**	**-**	**52,284,000**	**49,111,900**	**3,172,100**
Capital						
Corporate services	493,000	675,000	-	1,168,000	946,109	221,891
Sustainable resources	1,870,000	769,000	-	2,639,000	1,366,433	1,272,567
Oil and gas and mineral resources	2,675,000	1,600,000	-	4,275,000	5,111,503	(836,503)
	5,038,000	**3,044,000**	**-**	**8,082,000**	**7,424,045**	**657,955**
Less: Acquisition of tangible capital assets	(328,000)	(2,227,000)	-	(2,555,000)	(3,348,307)	793,307
Land development costs transferred to land held for sale	(450,000)	(100,000)	-	(550,000)	(517,931)	(32,069)
	4,260,000	717,000	-	4,977,000	3,557,807	1,419,193
Amortization expense	145,000	167,000	-	312,000	323,273	(11,273)
Total expenses	57,526,000	47,000	-	57,573,000	52,992,980	4,580,020

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Environment						
Operations and maintenance						
General management	$ 337,000	$ (33,000)	$ 62,000	$ 366,000	$ 362,579	$ 3,421
Corporate services	6,361,000	1,121,000	(99,000)	7,383,000	7,051,154	331,846
Environmental sustainability	19,598,000	72,000	37,000	19,707,000	19,113,604	593,396
Environmental liabilities	-	-	-	-	885,334	(885,334)
	26,296,000	**1,160,000**	**-**	**27,456,000**	**27,412,671**	**43,329**
Capital						
Corporate services	969,000	1,142,000	-	2,111,000	1,878,032	232,968
Environmental sustainability	868,000	81,000	-	949,000	864,553	84,447
	1,837,000	**1,223,000**	**-**	**3,060,000**	**2,742,585**	**317,415**
Less acquisition of tangible capital assets	(418,000)	(981,000)	-	(1,399,000)	(1,320,584)	(78,416)
	1,419,000	242,000	-	1,661,000	1,422,001	238,999
Amortization expense	163,000	3,000	-	166,000	170,582	(4,582)
Total expenses	27,878,000	1,405,000	-	29,283,000	29,005,254	277,746

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Finance						
Operations and maintenance						
Treasury	$ 6,686,000	$ (24,000)	$ -	$ 6,662,000	$ 6,182,039	$ 479,961
Workers' compensation supplementary benefits	426,000	-	-	426,000	393,229	32,771
Bad debts expense	48,000	-	-	48,000	43,019	4,981
	7,160,000	**(24,000)**	**-**	**7,136,000**	**6,618,287**	**517,713**
Capital						
Treasury	**42,000**	**18,000**	**-**	**60,000**	**59,059**	**941**
Amortization expense	4,000	-	-	4,000	4,132	(132)
Total expenses	7,206,000	(6,000)	-	7,200,000	6,681,478	518,522

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services						
Operations and maintenance						
Policy, planning and administration	$ 6,887,000	$ 623,000	$ -	$ 7,510,000	$ 7,584,365	$ (74,365)
Family and children's services	36,595,000	834,000	-	37,429,000	37,989,693	(560,693)
Social services	26,061,000	3,718,000	-	29,779,000	28,606,592	1,172,408
Continuing care	26,245,000	966,000	-	27,211,000	26,830,607	380,393
Health services	93,532,000	9,533,000	-	103,065,000	108,013,153	(4,948,153)
Yukon hospital services	35,209,000	3,325,000	-	38,534,000	38,019,627	514,373
Regional services	4,717,000	206,000	-	4,923,000	5,106,983	(183,983)
	229,246,000	**19,205,000**	**-**	**248,451,000**	**252,151,020**	**(3,700,020)**
Capital						
Policy, planning and administration	1,907,000	(473,000)	-	1,434,000	1,085,585	348,415
Family and children's services	1,569,000	441,000	-	2,010,000	1,407,951	602,049
Social services	31,000	36,000	-	67,000	63,952	3,048
Continuing care	488,000	120,000	-	608,000	536,007	71,993
Health services	4,450,000	(2,253,000)	-	2,197,000	1,676,305	520,695
Yukon hospital services	350,000	-	-	350,000	350,000	-
	8,795,000	**(2,129,000)**	**-**	**6,666,000**	**5,119,800**	**1,546,200**
Less acquisition of tangible capital assets	(5,969,000)	3,979,000	-	(1,990,000)	(1,443,866)	(546,134)
	2,826,000	1,850,000	-	4,676,000	3,675,934	1,000,066
Amortization expense	2,962,000	(1,445,000)	-	1,517,000	1,621,193	(104,193)
Write-down/disposal loss of tangible capital assets	-	-	-	-	130,456	(130,456)
Total expenses	235,034,000	19,610,000	-	254,644,000	257,578,603	(2,934,603)

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works						
Operations and maintenance						
Corporate services	$ 4,558,000	$ 114,000	$ 277,000	$ 4,949,000	$ 4,792,788	$ 156,212
Information and communications technology	11,390,000	(279,000)	(452,000)	10,659,000	10,036,425	622,575
Transportation	48,081,000	2,428,000	137,000	50,646,000	50,382,451	263,549
Supply services	3,522,000	4,000	363,000	3,889,000	3,890,023	(1,023)
Property management	33,358,000	519,000	(325,000)	33,552,000	33,482,448	69,552
French Language Services Directorate	2,033,000	36,000	-	2,069,000	2,064,560	4,440
Central Stores write off	-	-	-	-	15,031	(15,031)
	102,942,000	**2,822,000**	-	**105,764,000**	**104,663,726**	**1,100,274**
Less capital lease payments transferred to capital lease obligations	-	-	-	-	(1,247,032)	1,247,032
	102,942,000	2,822,000	-	105,764,000	103,416,694	2,347,306
Capital						
Corporate services	879,000	(231,000)	107,000	755,000	686,727	68,273
Information and communications technology	18,273,000	2,062,000	(445,000)	19,890,000	16,211,115	3,678,885
Transportation	65,263,000	9,888,000	577,000	75,728,000	67,953,233	7,774,767
Property management	6,879,000	2,696,000	(239,000)	9,336,000	5,651,358	3,684,642
French Language Services Directorate	15,000	(2,000)	-	13,000	9,531	3,469
	91,309,000	**14,413,000**	-	**105,722,000**	**90,511,964**	**15,210,036**
Less acquisition of tangible capital assets	(52,409,000)	(9,085,000)	-	(61,494,000)	(59,563,844)	(1,930,156)
	38,900,000	5,328,000	-	44,228,000	30,948,120	13,279,880

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works						
Amortization expense	$ 22,139,000	$ (542,000)	$ -	$ 21,597,000	$ 21,658,371	$ (61,371)
Total expenses	163,981,000	7,608,000	-	171,589,000	156,023,185	15,565,815
Justice						
Operations and maintenance						
Management services	2,390,000	134,000	-	2,524,000	2,468,519	55,481
Court services	5,807,000	506,000	-	6,313,000	6,332,285	(19,285)
Legal services	5,266,000	85,000	-	5,351,000	5,054,359	296,641
Regulatory services	1,461,000	45,000	-	1,506,000	1,443,564	62,436
Correctional services	10,460,000	1,268,000	-	11,728,000	10,848,002	879,998
Community justice and public safety division	1,804,000	289,000	-	2,093,000	1,812,898	280,102
Human rights	516,000	103,000	-	619,000	635,025	(16,025)
Victim services and community justice	1,941,000	407,000	-	2,348,000	2,102,345	245,655
Policing and investigation services	22,681,000	3,002,000	-	25,683,000	25,565,531	117,469
	52,326,000	**5,839,000**	**-**	**58,165,000**	**56,262,528**	**1,902,472**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Justice						
Capital						
Management services	$ 408,000	$ 113,000	$ (9,000)	$ 512,000	$ 416,521	$ 95,479
Court services	17,000	56,000	-	73,000	25,739	47,261
Correctional services	22,432,000	3,251,000	9,000	25,692,000	25,561,883	130,117
Policing and investigation services	13,000	1,000	-	14,000	12,675	1,325
	22,870,000	**3,421,000**	**-**	**26,291,000**	**26,016,818**	**274,182**
Less acquisition of tangible capital assets	(22,661,000)	(3,186,000)	-	(25,847,000)	(25,863,372)	16,372
	209,000	235,000	-	444,000	153,446	290,554
Amortization expense	824,000	-	-	824,000	1,152,234	(328,234)
Total expenses	53,359,000	6,074,000	-	59,433,000	57,568,208	1,864,792

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Public Service Commission						
Operations and maintenance						
Finance and administration	$ 677,000	$ (1,000)	$ -	$ 676,000	$ 814,148	$ (138,148)
Corporate human resource services	3,240,000	296,000	-	3,536,000	3,364,335	171,665
Employee compensation	1,558,000	(12,000)	-	1,546,000	1,459,862	86,138
Staff relations	1,339,000	(2,000)	-	1,337,000	1,273,009	63,991
Workers' compensation fund	5,810,000	-	-	5,810,000	5,864,830	(54,830)
Human resource management systems	595,000	(1,000)	-	594,000	575,749	18,251
Policy, planning and communication	961,000	(1,000)	-	960,000	959,305	695
Employee future benefits	17,465,000	-	-	17,465,000	16,285,966	1,179,034
Staff development	4,406,000	219,000	-	4,625,000	4,027,191	597,809
	36,051,000	**498,000**	**-**	**36,549,000**	**34,624,395**	**1,924,605**
Capital						
Finance and administration	21,000	9,000	-	30,000	30,793	(793)
Staff development	29,000	26,000	-	55,000	54,227	773
	50,000	**35,000**	**-**	**85,000**	**85,020**	**(20)**
Amortization expense	14,000	-	-	14,000	11,007	2,993
Total expenses	36,115,000	533,000	-	36,648,000	34,720,422	1,927,578

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Tourism and Culture						
Operations and maintenance						
Corporate services	$ 1,726,000	$ (19,000)	$ -	$ 1,707,000	$ 1,730,161	$ (23,161)
Cultural services	9,386,000	1,188,000	-	10,574,000	9,825,645	748,355
Tourism	8,130,000	890,000	-	9,020,000	8,362,921	657,079
	19,242,000	**2,059,000**	**-**	**21,301,000**	**19,918,727**	**1,382,273**
Capital						
Corporate services	369,000	17,000	(15,000)	371,000	283,888	87,112
Cultural services	2,404,000	454,000	15,000	2,873,000	2,335,699	537,301
Tourism	1,309,000	271,000	-	1,580,000	944,231	635,769
	4,082,000	**742,000**	**-**	**4,824,000**	**3,563,818**	**1,260,182**
Less acquisition of tangible capital assets	(150,000)	-	-	(150,000)	-	(150,000)
	3,932,000	742,000	-	4,674,000	3,563,818	1,110,182
Amortization expense	603,000	35,000	-	638,000	641,114	(3,114)
Total expenses	23,777,000	2,836,000	-	26,613,000	24,123,659	2,489,341

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Women's Directorate						
Operations and maintenance						
Policy and program development	**$ 1,239,000**	**$ -**	**$ -**	**$ 1,239,000**	**$ 1,129,873**	**$ 109,127**
Capital						
Policy and program development	**6,000**	**-**	**-**	**6,000**	**4,832**	**1,168**
Total expenses	1,245,000	-	-	1,245,000	1,134,705	110,295
Yukon Development Corporation (Transfer Payment)						
Capital						
Aishihik Turbine	4,250,000	(500,000)	-	3,750,000	3,750,000	-
Interim electrical rebate	-	2,250,000	-	2,250,000	2,250,000	-
	4,250,000	**1,750,000**	**-**	**6,000,000**	**6,000,000**	**-**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Yukon Housing Corporation (Transfer Payment)						
Operations and maintenance	**$ 3,872,000**	**$ (769,000)**	**$ -**	**$ 3,103,000**	**$ 329,980**	**$ 2,773,020**
Capital	**2,678,000**	**1,819,000**	**-**	**4,497,000**	**3,076,269**	**1,420,731**
Total expenses	6,550,000	1,050,000	-	7,600,000	3,406,249	4,193,751
Restricted Funds						
Operations and maintenance Net expenses	-	-	-	-	4,497,110	(4,497,110)
Amortization expense	-	-	-	-	3,301,017	(3,301,017)
Total expenses	-	-	-	-	7,798,127	(7,798,127)

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2010

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Totals						
Operations and maintenance	$ 752,439,000	$ 36,796,000	$ -	$ 789,235,000	$ 777,158,629	$ 12,076,371
Capital	218,883,000	31,410,000	-	250,293,000	199,445,733	50,847,267
Less: Acquisition of tangible capital assets	(89,883,000)	(12,999,000)	-	(102,882,000)	(102,435,867)	(446,133)
Land development costs transferred to land held for sale	(29,061,000)	15,937,000	-	(13,124,000)	(7,930,669)	(5,193,331)
Local improvement costs transferred to loans receivable	(1,200,000)	-	-	(1,200,000)	(937,419)	(262,581)
Capital lease payments transferred to capital lease obligations	-	-	-	-	(1,247,032)	1,247,032
Amortization expense	34,488,000	(1,985,000)	-	32,503,000	36,354,701	(3,851,701)
Write-down/disposal loss of tangible capital assets	-	-	-	-	132,408	(132,408)
Adjustments	(11,843,000)	(35,359,000)	-	(47,202,000)	-	(47,202,000)
	$ 873,823,000	$ 33,800,000	$ -	$ 907,623,000	$ 900,540,484	$ 7,082,516

GOVERNMENT OF YUKON

Schedule 5

Schedule of Recoveries of Prior Years' Expenses
for the year ended March 31, 2010

Department	Over Accruals	Other Recoveries	Total
Finance	$ -	$ 505,831	$ 505,831
Education	147,260	41,816	189,076
Economic Development	144,325	250	144,575
Health and Social Services	61,456	64,833	126,289
Community Services	87,826	2,000	89,826
Executive Council Office	64,191	-	64,191
Tourism and Culture	35,986	2,202	38,188
Environment	19,131	-	19,131
Highways and Public Works	14,032	375	14,407
Energy, Mines & Resources	7,272	4,160	11,432
Legislative Assembly	9,869	-	9,869
Justice	5,400	4,000	9,400
	$ 596,748	**$ 625,467**	**$ 1,222,215**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Restricted Funds
for the year ended March 31, 2010

	Recycling	Youth Investment Fund	Health Investment Fund	Conservation Fund	Road and Airport Equipment Reserve Fund	Queen's Printer Revolving Fund	Vehicle Fleet Revolving Fund	Wildland Fire Suppression Fund	Risk Management Revolving Fund	2010 Total	2009 Total
Revenues											
Appropriation	$ 250,000	$ 138,000	$ 75,000	$ -	$ -	$ 38,000	$ 325,000	$ 7,205,000	$ 675,512	$ 8,706,512	$ 7,550,513
Operating	2,686,248	-	-	15,771	9,544,192	650,056	4,240,463	1,542,852	168,822	18,848,404	21,169,584
	2,936,248	138,000	75,000	15,771	9,544,192	688,056	4,565,463	8,747,852	844,334	27,554,916	28,720,097
Expenses											
Operating	3,086,411	126,863	109,715	-	9,142,122	623,818	2,249,940	14,340,288	598,932	30,278,089	22,350,812
Amortization	-	-	-	-	2,265,394	30,756	1,004,867	-	-	3,301,017	2,832,731
	3,086,411	126,863	109,715	-	11,407,516	654,574	3,254,807	14,340,288	598,932	33,579,106	25,183,543
Net profit (loss) for the year	(150,163)	11,137	(34,715)	15,771	(1,863,324)	33,482	1,310,656	(5,592,436)	245,402	(6,024,190)	3,536,554
Adjustments for the *Financial Administration Act* requirements											
Acquisition of capital assets	-	-	-	-	(3,191,341)	-	(1,170,777)	-	-	(4,362,118)	(2,066,638)
Amortization of capital assets net of amortization of deferred capital contributions	-	-	-	-	2,265,394	30,756	970,224	-	-	3,266,374	2,832,731
(Gain) loss on sale of capital assets	-	-	-	-	(144,853)	-	(17,159)	-	-	(162,012)	(103,857)
Write-down of capital assets	-	-	-	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	175,973	-	51,122	-	-	227,095	193,237
Balance at beginning of year	1,008,493	83,387	109,474	89,299	7,529,449	22,051	419,206	5,766,053	3,946,642	18,974,054	14,582,027
Balance at end of year	$ 858,330	$ 94,524	$ 74,759	$ 105,070	$ 4,771,298	$ 86,289	$ 1,563,272	$ 173,617	$ 4,192,044	$ 11,919,203	$ 18,974,054

GOVERNMENT OF YUKON

Schedule 6

Schedule of Restricted Funds
for the year ended March 31, 2010

	Recycling Fund	Youth Investment Fund	Health Investment Fund	Conservation Fund	Road and Airport Equipment Reserve Fund	Queen's Printer Revolving Fund	Vehicle Fleet Revolving Fund	Wildland Fire Suppression Fund	Risk Management Revolving Fund	2010 Total	2009 Total
Assets and liabilities that are specific to each Fund and included in the Government's assets and liabilities are as follows:											
Assets											
Accounts receivable	$ 269,212	$ -	$ -	$ -	$ -	$ 1,112	$ 29,836	$ -	$ -	$ 300,160	$ 346,540
Tangible capital assets	-	-	-	-	14,433,189	91,083	4,995,434	-	-	19,519,706	18,549,035
(Deferred capital contributions)	-	-	-	-	-	-	(128,554)	-	-	(128,554)	(188,545)
	269,212	-	-	-	14,433,189	92,195	4,896,716	-	-	19,691,312	18,707,030
Liabilities											
Accounts payable and accrued liabilities	47,980	-	-	-	-	39,520	154,195	-	1,057,000	1,298,695	1,681,436
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows:											
Accumulated surplus (deficit)	$ 858,330	$ 94,524	$ 74,759	$ 105,070	$ 19,204,488	$ (152,332)	$ 3,915,526	$ 173,617	$ 4,192,044	$ 28,466,026	$ 34,490,216

GOVERNMENT OF YUKON

Schedule 7

Schedule of Inventories of Supplies for the year ended March 31, 2010

	Garage Parts and Fuel Inventory Revolving Fund	Central Stores Revolving Fund	Highway Materials Revolving Fund	Fire Management Fuel & Retardant Inventory	Faro Mine Site Parts and Fuel Inventory	2010 Total	2009 Total
Opening inventory	$ 1,419,118	$ 643,810	$ 2,061,543	$ 994,827	$ 609,669	$ 5,728,967	$ 4,352,742
Add purchases	2,765,412	1,723,227	3,093,847	1,681,143	953,517	10,217,146	7,966,632
	4,184,530	2,367,037	5,155,390	2,675,970	1,563,186	15,946,113	12,319,374
Less: Consumption	2,837,578	1,708,722	2,962,661	1,476,809	948,081	9,933,851	6,599,674
Inventory adjustments	(11,814)	15,782	6,533	-	-	10,501	(9,267)
Closing inventory	**$ 1,358,766**	**$ 642,533**	**$ 2,186,196**	**$ 1,199,161**	**$ 615,105**	**$ 6,001,761**	**$ 5,728,967**

GOVERNMENT OF YUKON

Schedule 8

Schedule of Legislated Grants
for the year ended March 31, 2010

	Main Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services				
Comprehensive municipal grants	$ 14,154,000	$ 14,154,000	$ 14,153,008	$ 992
In lieu of property taxes	4,983,000	5,465,000	5,137,601	327,399
Home owner grants	3,170,000	3,170,000	3,142,753	27,247
	22,307,000	**22,789,000**	**22,433,362**	**355,638**
Education				
Post secondary student grants	4,630,000	4,630,000	4,310,962	319,038
Student accommodation (boarding subsidy)	115,000	115,000	129,763	(14,763)
Student transportation	116,000	116,000	91,986	24,014
	4,861,000	**4,861,000**	**4,532,711**	**328,289**
Health and Social Services				
Social assistance - Whitehorse	9,990,000	12,076,000	11,629,094	446,906
Child care subsidies	2,800,000	2,020,000	2,235,135	(215,135)
Pioneer utility grant	1,426,000	1,452,000	1,383,315	68,685
Social assistance - region	1,163,000	1,395,000	1,314,627	80,373
Medical travel subsidies	993,000	993,000	1,261,685	(268,685)
Yukon seniors' income supplement	840,000	849,000	815,017	33,983
In lieu of property taxes - continuing care	240,000	240,000	230,895	9,105
Adoption subsidies	121,000	121,000	164,431	(43,431)
In lieu of property taxes - community nursing	97,000	97,000	96,084	916
	17,670,000	**19,243,000**	**19,130,283**	**112,717**
	$ 44,838,000	**$ 46,893,000**	**$ 46,096,356**	**$ 796,644**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Executive Council Office				
Other transfers				
Land claims and implementation				
- implementation initiatives	$ 3,254,000	$ 2,954,000		$ 2,794,686
- Yukon Fish & Wildlife Management Board			$ 507,291	
- Yukon Land Use Planning Commission			493,242	
- Peel River Watershed Planning Commission			296,893	
- Yukon Heritage Resources Board			194,272	
- Dawson Planning Committee			183,213	
- North Yukon Renewable Resources Council			121,287	
- Alsek Renewable Resources Council			116,287	
- Teslin Renewable Resources Council			116,287	
- Mayo District Renewable Resources Council			116,287	
- Selkirk Renewable Resources Council			116,287	
- Carmacks Renewable Resources Council			116,287	
- Dawson District Renewable Resources Council			116,287	
- Labarge Renewable Resources Council			116,287	
- Dan Keyi Renewable Resources Council			116,287	
- Yukon Geographical Place Names Board			68,192	
- various First Nations organizations	10,000	10,000		10,000
- various First Nations	50,000	50,000		-
Northern strategy - various First Nations	4,489,000	1,948,000		2,094,027
- Tr'ondek Hwech'in First Nation			809,225	
- Ta'an Kwach'an Council			335,000	
- Kluane First Nation			180,000	
- Carcross Tagish First Nations			162,327	
- Liard First Nation			155,958	
- Nacho Nyak Dun First Nation			135,717	
- Champagne & Aishihik First Nations			99,000	
- White River First Nation			66,800	
- Teslin Tlingit Council			55,000	
- Council of Yukon First Nation			50,000	
- Ross River Dena Council			45,000	
Northern strategy - governance liaison and capacity development				
- land and resource management and development	305,000	367,000		301,000
- Vuntut Gwitchin First Nation			116,900	
- Kwanlin Dun First Nation			108,100	
- Carcross Tagish First Nation			76,000	
- Aboriginal Sport Legacy Trust	-	150,000		150,000
- executive development program				
- Champagne & Aishihik First Nations	350,000	128,000		112,865
- Council of Yukon First Nations	100,000	100,000		100,000
- capacity development for land and resource management and development - Nacho Nyak Dun	-	72,000		72,000
- various First Nations	190,000	58,000		53,000

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Executive Council Office				
Other transfers (continued)				
Youth strategy initiatives	$ 697,000	$ 761,000		$ 747,316
- Boys & Girls Club of Whitehorse			$ 160,000	
- Youth of Today Society			160,000	
- Bring Youth Towards Equality Society			110,000	
- Association franco-yukonnaise			25,250	
- Kluane First Nation			15,000	
- Town of Faro			15,000	
- Village of Mayo			15,000	
- Marsh Lake Community Society			14,915	
- Tagish Community Association			12,507	
- Carcross Recreation Board			10,000	
- Champagne & Aishihik First Nations			10,000	
- Kwanlin Dun First Nation			10,000	
- Selkirk First Nation			10,000	
- Teslin Recreation Society			10,000	
- Tr'ondek Hwech'in First Nation			10,000	
- Village of Carmacks			10,000	
- Vuntut Gwitchin First Nation			10,000	
- White River First Nation			10,000	
- various youth groups			129,644	
Intergovernmental relations				
- Vuntut Gwitchin First Nation	50,000	50,000		50,000
- Canadian Red Cross				50,000
- Philippines flooding	-	25,000	25,000	
- Haiti earthquake	-	25,000	25,000	
- Fathers of Confederation Trust	5,000	5,000		5,000
Yukon College	50,000	50,000		50,000
Commissioner's Office				
- Klondike Visitors Association	10,000	10,000		10,000
Various transfer payments less than $10,000	5,000	5,000		4,600
Total other government transfers	**9,565,000**	**6,768,000**		**6,604,494**
Community Services				
Funding programs				
Sport	2,286,000	2,322,000		2,073,362
FireSmart	1,350,000	1,350,000		1,235,964
Community recreation/active living	668,000	668,000		668,285
	4,304,000	4,340,000		3,977,611

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Community Services				
Other transfers				
Building Canada fund	$ 3,000,000	$ 10,918,000		$ 3,735,563
- Village of Carmacks - sewage treatment facility			$ 3,327,386	
- Village of Teslin - Arsenic treatment upgrade			181,819	
- City of Dawson - sewage treatment facility			156,269	
- Village of Old Crow - roadway			45,480	
- Village of Haines Junction - arsenic treatment upgrade			24,609	
Municipal rural infrastructure fund	7,470,000	7,706,000		6,662,457
- City of Whitehorse - Hamilton Boulevard			3,234,010	
- City of Whitehorse - Takhini North Reconstruction			2,532,952	
- Champagne & Aishihik First Nations				
- Cultural Centre			822,926	
- Water, sewer and roads			20,627	
- City of Dawson - Playground			51,942	
Aboriginal Sports Legacy Trust Fund	-	600,000		600,000
Northern strategy				
- Yukon College				
- Yukon water and wastewater system operator capacity building	25,000	437,000		500,000
- Old Crow emergency response/search and rescue	76,000	223,000		96,762
Canadian strategic infrastructure fund	3,400,000	6,703,000		428,846
- City of Whitehorse - waterfront			380,914	
- Kwanlin Dun First Nation - Cultural Centre			47,932	
2012 Arctic Winter Games	-	400,000		400,000
City of Dawson				391,752
- recreation centre renovation and rehabilitation	1,000,000	1,250,000	378,520	
- infrastructure	-	20,000	13,232	
Community library boards	334,000	334,000		332,021
- Watson Lake Library Board			50,021	
- Dawson City Library Board			45,641	
- Carcross Library Board			30,403	
- Haines Junction Library Board			28,653	
- Teslin Library Board			28,622	
- Carmacks Library Board			28,384	
- Mayo Library Board			27,203	
- Faro Library Board			21,268	
- Pelly Crossing Library Board			16,094	
- Tagish Library Board			14,009	
- Beaver Creek Library Board			13,228	
- Old Crow Library Board			12,815	
- various recipients			15,680	
City of Whitehorse - Hamilton Boulevard - road upgrade	-	-		321,922

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Community Services				
Other transfers (continued)				
Immediate capital needs	$ -	$ 571,000		$ 268,029
- Town of Watson Lake - engineering/condenser unit			$ 182,211	
- Village of Haines Junction - fill station, fencing			50,754	
- Mount Lorne Community Centre				
- signage, driveway upgrades, zamboni building doors			19,640	
- Town of Faro - water main breaks			15,424	
Village of Old Crow - riverbank stabilization	-	248,000		224,153
Emergency medical services				
- Volunteer Ambulance Services Society				110,000
- volunteer bursary fund	60,000	60,000	60,000	
- volunteer awards fund	20,000	20,000	20,000	
- volunteer community allowances	30,000	30,000	30,000	
Association of Yukon Communities	100,000	100,000		101,500
Recreation Infrastructure Canada program	-	162,000		89,813
- Beaver Creek community centre/rec complex			35,669	
- Carmacks swimming pool repairs			20,811	
- Carcross recreation office renovations			20,000	
- Tr'ondek Hwech'in wellness camp facility upgrades			13,333	
Mae Bachur Animal Shelter	75,000	75,000		79,500
Volunteer Bureau	67,000	67,000		67,000
Community/local advisory council - operations	70,000	70,000		61,218
- Hamlet of Ibex Valley			12,710	
- Marsh Lake Local Advisory Council			12,710	
- South Klondike Local Advisory Council			12,710	
- Hamlet of Mount Lorne			11,750	
- Tagish Area Advisory Committee			11,338	
Sport and recreation				
- recreation/community centers - various recipients	60,000	60,000		41,503
- Kluane First Nation - youth and elders activity centre	-	916,000		-
Ta'an Kwach'an Council - Range Road dump clean-up	-	-		30,000
Dawson Humane Society	20,000	20,000		20,000
Industry Canada - National BizPal program	-	-		13,685
Association of Yukon Communities - municipal training plan	-	-		10,000
Various transfer payments less than $10,000	5,000	5,000		32,900
	15,812,000	30,995,000		14,618,624
Total other government transfers	**20,116,000**	**35,335,000**		**18,596,235**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Economic Development				
Funding programs				
Community development fund	$ 2,950,000	$ 3,639,000		$ 2,774,349
Film and sound incentive programs	1,270,000	1,285,000		1,034,129
Enterprise trade fund	360,000	502,000		389,770
Strategic industries development fund	800,000	1,221,000		858,012
Regional economic development fund	405,000	537,000		479,437
	5,785,000	7,184,000		5,535,697
Other transfers				
Yukon College				
- Technology Innovation Centre	235,000	336,000		236,354
- Yukon Cold Climate Innovation Centre	-	150,000		150,000
Northern strategy				
- Yukon College				
- Yukon cold climate innovation research	-	502,000		149,457
- Council of Yukon First Nations - e-commerce	-	494,000		68,554
- Selkirk First Nation - towards sufficiency	600,000	616,000		-
Yukon Chamber of Commerce				140,432
- meet the north/Yukon Expo	-	30,000	$ 48,432	
- Canada-Yukon Business Service Centre	45,000	45,000	45,000	
- operation support	36,000	36,000	36,000	
- Alaska trade show	8,000	8,000	11,000	
Dana Naye Ventures				127,697
- micro loan program	73,000	73,000	73,000	
- business development program	51,000	119,000	54,697	
Technology partnerships - community access program	67,000	327,000		64,000
- Council of Yukon First Nations			35,000	
- Yukon College			15,000	
- various recipients			14,000	
Music Yukon				
- operational support	50,000	50,000	50,000	61,798
- other music initiatives	-	-	11,798	
Great River Journey Inc.	-	-		38,331
Yukon Federation of Labour - operational support	36,000	36,000		36,000
Yukon Information Technology Industry Society	15,000	24,000		21,925
Council of Yukon First Nations - Olympic initiative	-	20,000		19,800
Yukon Building and Construction Trades Council	15,000	15,000		15,000
Trade initiatives	19,000	19,000		-
Business Development Bank of Canada				
- small business week	5,000	5,000		-
Dawson City Arts Society	-	25,000		-
Various transfer payments less than $10,000	5,000	5,000		10,000
	1,260,000	2,935,000		1,139,348

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Economic Development				
Total other government transfers	**$ 7,045,000**	**$ 10,119,000**		**$ 6,675,045**
Education				
Funding programs				
Community training fund	1,500,000	1,883,000		1,411,128
Student training and employment program	366,000	366,000		374,265
Canada/Yukon summer program	114,000	114,000		101,337
Labour market agreement	-	1,260,000		1,250,338
Labour market development agreement	-	1,685,000		1,150,000
	1,980,000	5,308,000		4,287,068
Other transfers				
Yukon College				21,077,380
- operational funding	15,046,000	15,221,000	$ 15,120,537	
- pension fund	950,000	818,000	817,015	
- capital funding	750,000	750,000	750,000	
- seat purchases	780,000	780,000	748,424	
- Research Centre for Excellence	-	852,000	676,415	
- School of Visual Arts	605,000	605,000	571,958	
- Yukon native teacher education program	540,000	540,000	540,000	
- older workers' initiative	286,000	488,000	487,500	
- licensed practical nurse program	448,000	536,000	453,617	
- Bachelor of social work	370,000	370,000	370,000	
- post-secondary education infrastructure	99,000	302,000	203,424	
- fetal alcohol syndrome disorder	137,000	137,000	136,520	
- innovators in school program	57,000	57,000	57,000	
- computer camp	-	52,000	49,972	
- education assistant certificate program	30,000	30,000	30,000	
- Youth Exploring Trades	-	28,000	24,998	
- College Board	20,000	20,000	20,000	
- Masters in Education - various recipients	-	20,000	20,000	
- enhanced security	-	125,000	-	
Council of Yukon First Nations				483,201
- Native language program	405,000	405,000	405,000	
- Education support	170,000	170,000	78,201	
Commission scolaire francophone du Yukon				383,760
- special initiatives	422,000	316,000	318,760	
- operations	87,000	65,000	65,000	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Education				
Other transfers (continued)				
Northern strategy				
- municipal/First Nation government training				
- Association of Yukon Communities	$ 280,000	$ 280,000		$ 280,000
- boards/committees leadership training - Tr'ondek Hwech'in	133,000	133,000		103,189
- four winds family and community literacy - Yukon Literacy Coalition	-	75,000		75,549
- land-based experiential education - Vuntut Gwitchin	-	20,000		20,000
Yukon Learn Society	275,000	275,000		275,000
Home tutor program	365,000	377,000		233,955
- Learning Disabilities Association of Yukon			$ 47,052	
- Watson Lake School Council			22,146	
- St. Elias Community School Trust			21,327	
- Robert Service School Trust			20,650	
- Ross River School Trust			19,888	
- Kwanlin Dun First Nation			16,875	
- Porter Creek Secondary School Trust			14,700	
- Vuntut Gwitchin First Nation			13,231	
- Del Van Gorder School Trust			10,485	
- various recipients			47,601	
Education related organizations	45,000	45,000		226,869
- Alberta Learning			158,345	
- Council of Ministers of Education			57,346	
- various recipients			11,178	
School councils - remuneration	148,000	148,000		170,000
- FH Collins School Council			16,250	
- JV Clark School Council			11,250	
- various recipients			142,500	
Association franco-yukonnaise - special initiatives	220,000	165,000		165,000
School cultural activities	250,000	261,000		141,409
- Northern Cultural Expressions Society			24,500	
- Porter Creek Secondary School Trust			13,405	
- Jack Hulland School Trust			11,014	
- Individual Learning Centre			10,800	
- various recipients			81,690	
Special payments for education-related events/student activities	50,000	59,000		102,295
- Yukon Wildlife Preserve			14,500	
- Council of Yukon First Nations			12,000	
- various recipients			75,795	
Youth at risk initiatives	200,000	219,000		99,984
- Yukon Sourdough Rendezvous			15,390	
- Yukon Learn Society			13,770	
- Equinox Outdoor Learning			10,700	
- Various Recipients			60,124	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates	Actual
Education			
Other transfers (continued)			
Porter Creek Secondary School Council - canines for safer schools	$ 77,000	$ 77,000	$ 77,000
Innovation fund - leaders in education	-	75,000	75,000
Dealing with the Whole Child Society - whole child project	91,000	91,000	63,700
Lester B. Pearson College - post secondary student scholarships	74,000	74,000	49,000
Human Resource Development Canada - apprentice initiatives	45,000	45,000	46,884
First Nations elder program - various recipients	50,000	50,000	41,083
Yukon Work Information Network	35,000	35,000	35,000
French cultural activities - various recipients	35,000	35,000	28,800
Champagne & Aishihik First Nations - stay in school initiatives	30,000	30,000	15,000
Yukon Art Society - artist in the school	19,000	19,000	14,250
First Nations community orientation - various recipients	20,000	20,000	14,100
Northern Cultural Expressions Society - First Nations curriculum development/implementation	25,000	25,000	10,000
Various transfer payments less than $10,000	30,000	30,000	21,100
	23,699,000	25,350,000	24,328,508
Total other government transfers	**25,679,000**	**30,658,000**	**28,615,576**
Energy, Mines and Resources			
Funding programs			
Yukon mining incentives program	1,670,000	1,670,000	1,669,500
Rebate programs	150,000	200,000	232,300
Agriculture agreement - Growing Forward	275,000	275,000	218,531
	2,095,000	2,145,000	2,120,331

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

Energy, Mines and Resources

Other transfers

	Main Estimates	Revised Estimates		Actual
Type II mine site reclamation	$ 2,100,000	$ 2,100,000		$ 1,102,832
- Liard First Nation Development Corporation			$ 373,804	
- Ross River Dena Council			318,827	
- Selkirk First Nation			216,276	
- Little Salmon Carmacks First Nation			180,753	
- Tr'ondek Hwech'in First Nation			9,574	
- Town of Faro			3,598	
Yukon Mine Training Association - northern strategy	-	346,000		346,278
Alaska Highway pipeline and Mackenzie gas project analysis	275,000	275,000		306,980
- Liard First Nation Development Corporation			165,000	
- Ross River Dena Council			75,000	
- Kaska Dena Council			35,000	
- United Association of Pipefitters			31,980	
Geological survey work	100,000	170,000		212,003
- Minto Exploration			77,306	
- University of British Columbia			56,665	
- University of New Brunswick			30,000	
- Simon Fraser University			28,728	
- University of Alberta			12,304	
- University of Waterloo			7,000	
Alaska Highway Aboriginal Pipeline Coalition	200,000	200,000		200,000
Nacho Nyak Dun First Nation	-	150,000		150,000
Joint First Nation/Yukon Government land management project - Teslin Tlingit Council	-	305,000		150,000
University of British Columbia	20,000	20,000		107,240
Regulatory competitiveness	-	80,000		79,500
- Nacho Nyak Dun First Nation			39,500	
- C3 Alliance Corp			25,000	
- North American Tungsten Ltd			10,000	
- Yukon Chamber of Commerce			5,000	
Kaska economic table	75,000	75,000		75,000
- Liard First Nation Development Corporation			37,500	
- Ross River Dena Council			37,500	
Resource assessments - minerals	155,000	155,000		63,000
- Dalhousie University			29,952	
- University of Leeds			14,619	
- University of Toronto			12,933	
- University of Alberta			5,496	
Forest management plans implementation	60,000	60,000		54,869
- Champagne & Aishihik First Nations			54,869	
Yukon Chamber of Mines - operational funding	45,000	45,000		51,000
Klondike Placer Miners' Association - operational funding	45,000	45,000		50,000

GOVERNMENT OF YUKON

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Energy, Mines and Resources				
Other transfers (continued)				
Nacho Nyak Dun First Nation	$ -	$ -		$ 50,000
Yukon Wood Products Association	-	56,000		46,400
Yukon Agricultural Association				
- operational funding	25,000	25,000		45,000
Energy Solutions Centre - cost shared projects	147,000	97,000		35,306
- Town of Watson Lake			$ 20,000	
- various recipients			15,306	
Little Salmon Carmacks First Nation	-	-		34,706
Successor resource legislation working group	111,000	111,000		30,704
- Council of Yukon First Nations			24,704	
- Kwanlin Dun First Nation			6,000	
Ta'an Kwach'an Council	-	-		25,000
Mineral related consultation	35,000	35,000		22,500
- Ross River Dena Council			22,500	
Canadian Forest Services	20,000	20,000		18,000
Memorandum of understanding				
- various Yukon First Nations	25,000	25,000		17,995
Mining Association of Canada	15,000	15,000		15,000
Yukon Conservation Society	-	16,000		13,500
Liard First Nation	-	-		12,815
Wildlife compensation program				
- various recipients	30,000	30,000		-
Resource assessments - oil and gas	25,000	25,000		-
Champagne & Aishihik First Nations	-	20,000		-
Forintek Canada Corporation	10,000	10,000		-
Various transfer payments less than $10,000	3,000	3,000		13,740
	3,521,000	4,514,000		3,329,368
Total other government transfers	**5,616,000**	**6,659,000**		**5,449,699**
Environment				
Other transfers				
Yukon Wildlife Preserve	600,000	615,000		600,000
Northern strategy				
- Yukon College - community adaptation project	295,000	295,000		295,000
- Yukon River Inter-tribal Watershed Council	153,000	153,000		153,000
Wildlife Management Advisory Council	225,000	225,000		225,000
Northern Research Institute - Climate Change	-	-		200,000
Whitehorse Fish Hatchery	70,000	70,000		99,637
Yukon Fish and Game Association	80,000	80,000		80,000
Porcupine Caribou Management Board				
- operational costs	75,000	75,000		75,000

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Environment				
Other transfers				
Yukon College - climate change research	$ 75,000	$ 75,000		$ 75,000
Waste reduction/recycling initiatives	80,000	80,000		60,115
- Raven Recycling operational funding			$ 40,000	
- various recipients			20,115	
Yukon Energy Corporation				
- stocked lake management	40,000	40,000		40,000
Mackenzie River Basin - transboundary agreement				
- Environment Canada	-	40,000		40,000
Yukon Conservation Society	35,000	35,000		35,000
Environmental public awareness				
- various recipients	30,000	30,000		29,466
Ducks Unlimited	18,000	18,000		18,000
Raven Recycling - Ewaste removal	-	-		15,386
Special management areas resource assessment				
- Carleton University	-	15,000		10,000
- Northern Research Institute	-	2,000		2,000
Canadian Cooperative Wildlife Health Centre	10,000	10,000		10,000
Yukon Trappers Association				-
- training workshops	30,000	1,000	-	
- Klondike soft gold program	25,000	25,000	-	
Fish and wildlife research support	20,000	20,000		-
Various transfer payments less than $10,000	14,000	36,000		42,351
Total other government transfers	**1,875,000**	**1,940,000**		**2,104,955**
Finance				
Other transfers				
Yukon Workers' Compensation Health and Safety Board				
- workers' compensation supplementary benefits	426,000	426,000		393,228
Yukon Electrical Company Limited				
- public utilities income tax transfer	213,000	213,000		212,700
Total other government transfers	**639,000**	**639,000**		**605,928**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Health and Social Services				
Funding programs				
Child care operating funds	$ 4,509,000	$ 4,509,000		$ 4,152,769
Employment incentive grants	390,000	390,000		312,615
Parents of children with disabilities	341,000	341,000		263,274
Health professional bursary (funded by territorial health access fund)	230,000	230,000		210,000
	5,470,000	5,470,000		4,938,658
Other transfers				
Yukon Hospital Corporation				38,946,865
- operational funding	32,129,000	35,182,000	$ 35,182,000	
- pension fund	1,556,000	1,809,000	1,556,350	
- First Nations health	663,000	682,000	682,277	
- patient wait times guarantee trust	836,000	836,000	574,000	
- equipment	300,000	300,000	300,000	
- teleradiology equipment	-	180,000	297,238	
- laboratory services	-	320,000	280,000	
- Yukon Hospital Foundation	75,000	75,000	75,000	
Yukon hospital insurance services	16,300,000	16,300,000		18,870,273
- Yukon residents' health care provided outside Yukon				
- Province of British Columbia			9,602,895	
- Province of Alberta			4,547,048	
- Yukon Hospital Corporation - Whitehorse			2,062,807	
- reimbursements to individuals and insurance companies			1,188,704	
- Province of Ontario			848,425	
- other provinces and territories			620,394	
Territorial health access fund - operational secretariat	2,825,000	3,249,000		3,288,576
- Government of Northwest Territories			2,582,166	
- Government of Nunavut			692,750	
- Contagious Mountain Bike - Yukon			13,660	
Territorial health access fund	999,000	2,880,000		3,011,129
- Yukon Hospital Corporation			1,141,862	
- Yukon Medical Association - physician recruitment/retention initiatives			984,392	
- Health Link Services BC			290,603	
- Teegatha'Oh Zheh			187,051	
- Salvation Army			148,530	
- Yukon Registered Nurses Association			122,728	
- Recreation and Parks Association			75,500	
- Safe Community Whitehorse			20,118	
- Bruce Sandluck			18,250	
- various recipients			22,095	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

Health and Social Services

	Main Estimates	Revised Estimates		Actual
Other transfers (continued)				
Child Development Centre	$ 1,708,000	$ 1,708,000		$ 1,814,814
Yukon Medical Association				1,674,921
- physician recruitment/retention initiatives	2,712,000	2,712,000	$ 1,157,921	
- medical practice insurance	262,000	262,000	262,000	
- education	238,000	238,000	255,000	
Many Rivers Counselling and Support Services Society				1,547,654
- counselling services	1,387,000	1,387,000	1,547,654	
- youth outreach	161,000	161,000	-	
- outreach van	153,000	153,000	-	
Yukon Women's Transition Home (Kaushee's Place)	838,000	993,000		993,306
Teegatha'Oh Zheh	756,000	1,093,000		938,108
Challenge - community vocational alternatives	503,000	597,000		596,800
Fetal Alcohol Syndrome Society	162,000	454,000		454,000
Help & Hope for Families Society	319,000	419,000		420,018
Skookum Jim Friendship Centre - family support	46,000	279,000		279,350
Hospice Yukon Society	194,000	194,000		242,650
Northern Cultural Expressions Society	-	104,000		239,000
Federal child benefit - various recipients				
- Whitehorse	289,000	289,000		227,303
- Region	71,000	71,000		51,956
Salvation Army				226,796
- social services	68,000	218,000	226,796	
- health services	150,000	150,000	-	
Options for Independence Society	226,000	226,000		226,000
Dawson Shelter Society	215,000	215,000		215,300
Aboriginal health transition fund				
- Council of Yukon First Nations	-	246,000		200,704
Kids' Recreation Fund	200,000	200,000		200,000
Whitehorse Transit - Handi Bus	184,000	184,000		183,806
Blood Ties Four Directions Centre Society	174,000	174,000		173,500
Patient Wait Times pilot project				
- Yukon Hospital Corporation	-	-		159,887
Alberta Catholic Social Services	145,000	145,000		159,667
Yukon Registered Nurses Association				135,000
- nurses post basic specialty education fund	75,000	75,000	75,000	
- nursing education fund	65,000	65,000	60,000	
- nursing advisory committee	10,000	10,000	-	
Learning Disabilities Association of Yukon	122,000	131,000		130,500
Second Opinion Society	98,000	98,000		93,000
Yukon Food for Learning	97,000	97,000		91,750
Liard Basin Task Force Society	80,000	80,000		89,900
Yukon Association of Community Living	60,000	88,000		88,200
Kwanlin Dun First Nation				83,000
- child welfare	64,000	64,000	65,000	
- teen parent access to education	18,000	18,000	18,000	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Health and Social Services				
Other transfers (continued)				
Home support for individuals with disabilities				
- various recipients	$ 856,000	$ 135,000		$ 81,840
Council of Yukon First Nations				
- Northern strategy - telehealth	-	184,000		79,500
Autism Yukon	305,000	305,000		71,000
Vuntut Gwitchin First Nation - youth program				65,000
- youth program	67,000	67,000	$ -	
- family support	65,000	65,000	65,000	
Health Investment Fund	50,000	50,000		50,322
Haines Junction Employment Development Society	100,000	100,000		50,000
Sign Post Seniors Society	50,000	50,000		50,000
Ta'an Kwach'an Council	-	75,000		50,000
Child care services development - various recipients	-	50,000		45,998
Liard First Nation - family support	43,000	43,000		43,000
Yukon Council on Aging	41,000	41,000		41,200
Ross River Dena Council - family support	44,000	44,000		40,842
Line of Life Association of Yukon	36,000	74,000		35,600
Canadian National Institute for the Blind	-	33,000		33,000
Victoria Faulkner's Women's Centre - accommodation	30,000	30,000		30,554
Healthy children - various recipients	30,000	30,000		30,545
Lutherwood Mental Health	-	155,000		30,341
Yukon Council on Disability	25,000	25,000		25,000
Professional Development Fund	-	-		25,000
Province of British Columbia				
- Health Cross - jurisdictional labour relations database	-	-		22,426
St. Elias Seniors Society	30,000	30,000		22,040
Rick Hansen Foundation	20,000	20,000		20,000
Foster Parent Association	15,000	15,000		15,000
Yukon Anti-Poverty Coalition	15,000	15,000		15,000
United Way	12,000	12,000		12,000
First Nations health partnership	120,000	120,000		-
British Columbia Centre for Disease Control	-	101,000		-
Various transfer payments less than $10,000	57,000	81,000		46,443
	69,544,000	77,361,000		77,085,384
Total other government transfers	**75,014,000**	**82,831,000**		**82,024,042**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Highways & Public Works				
Other transfers				
Latitude Wireless Inc. - Northwestel/Dakwakada				$ 697,120
- cell subsidy payment	$ 850,000	$ 850,000	$ 697,120	
- cell enhancement	1,800,000	-	-	
Kluane First Nation - Shakwak	10,000	10,000		10,000
Miles Canyon Historical Railway Society	77,000	77,000		85,811
Yukon Entrepreneurship Centre Society				
- e-waste disposal	36,000	40,000		37,539
Yukon Information Technology Industry Society				
- information technology conference	10,000	-		-
Various transfer payments less than $10,000	5,000	5,000		7,000
Total other government transfers	**2,788,000**	**982,000**		**837,470**
Justice				
Other transfers				
Yukon Legal Services Society (legal aid)				1,642,000
- operational funding	1,592,000	1,639,000	1,607,000	
- correctional services - Community Wellness Court	-	35,000	35,000	
Human Rights Commission	478,000	536,000		536,000
Community residential centre (Salvation Army)	420,000	704,000		452,378
Yukon Workers' Compensation Health and Safety Board	330,000	330,000		329,500
Aboriginal court worker program	321,000	409,000		323,665
- Council of Yukon First Nations			188,627	
- Liard First Nation			60,000	
- Northern Tutchone First Nation			57,727	
- Tr'ondek Hwech'in First Nation			32,256	
- Ross River Dena Council			19,000	
- Prior Year Recoveries			(33,945)	
Northern Cultural Expressions Society				
- Journey Far Carver program	-	245,000		275,000
Community justice projects	307,000	307,000		256,657
- Teslin Tlingit First Nation			60,000	
- Kwanlin Dun First Nation			55,472	
- Liard First Nation			44,397	
- Champagne & Aishihik First Nations			31,690	
- Dawson City Group Conferencing Society			25,000	
- Vuntut Gwitchin First Nation			24,645	
- Carcross Tagish First Nation			23,250	
- Ross River Dena Council			16,300	
- Prior Year Recoveries			(24,097)	

Schedule 9

GOVERNMENT OF YUKON

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Justice				
Other transfers (continued)				
Northern strategy				
- Carcross Tagish First Nation				
- southern lakes justice development program	$ 168,000	$ 208,000		$ 139,226
- Yukon College				
- Northern Institute of Social Justice	-	-		51,799
- Kwanlin Dun First Nation				
- therapeutic community resource feasibility study	-	88,000		40,000
- Needs and Gaps Study	-	50,000		-
Youth leadership program	168,000	168,000		106,586
- Carcross Recreation Board			$ 13,500	
- Kwanlin Dun First Nation			13,500	
- Selkirk First Nation			13,500	
- Teslin Recreation Society			13,500	
- Vuntut Gwitchin First Nation			13,500	
- Village of Carmacks			12,729	
- Champagne & Aishihik First Nations			12,150	
- Ross River Dena Council			12,150	
- Town of Watson Lake			12,150	
- Prior Year Recoveries			(10,093)	
Yukon Public Legal Education Association	85,000	85,000		90,000
RCMP				41,437
- biology casework	27,000	27,000	26,519	
- auxiliary RCMP	25,000	25,000	14,918	
Fetal Alcohol Syndrome Society of Yukon (FASSY)	-	28,000		27,500
Council of Yukon First Nations - corrections action plan	129,000	129,000		20,000
Police Board funding	5,000	5,000		-
Total other government transfers	**4,055,000**	**5,018,000**		**4,331,748**
Tourism and Culture				
Funding programs				
Yukon arts funding program	668,000	668,000		633,500
Arts fund	500,000	777,000		531,761
Tourism cooperative marketing fund	500,000	641,000		484,065
Touring artist fund	100,000	177,000		120,897
Advanced artist award	80,000	80,000		82,965
	1,848,000	2,343,000		1,853,188

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Tourism and Culture				
Other transfers				
2010 Olympics	$ -	$ 325,000		$ 1,083,709
- Yukon Arts Centre			$ 570,000	
- Council of Yukon First Nations			292,500	
- Vancouver Olympic Committee			146,209	
- City of Whitehorse - torch relay			29,000	
- Vuntut Gwitchin - torch relay			25,000	
- Kwanlin Dun - torch relay			13,500	
- City of Dawson - torch relay			5,500	
- various transfer payments less than $10,000			2,000	
Arts Centre Corporation	724,000	724,000		724,000
Museums - general operation, maintenance and training support	657,000	757,000		637,750
- Dawson City Museum			100,000	
- MacBride Museum			100,000	
- Yukon Transportation Museum			100,000	
- Yukon Historical and Museum Association			61,500	
- Yukon Church Heritage Society			61,500	
- Keno Community Club			38,000	
- Teslin Historical & Museum Society			38,000	
- Miles Canyon Historic Railway Society			30,000	
- Town of Faro - Campbell Region Interpretive Centre			30,000	
- Town of Watson Lake - Northern Lights Centre			30,000	
- Village of Mayo			30,000	
- Training Initiative (Yukon College)			18,750	
Dawson City Arts Society	400,000	400,000		400,000
First Nations cultural centers	344,000	344,000		344,000
- Teslin Tlingit Council			100,000	
- Tr'ondek Hwech'in First Nation			100,000	
- Vuntut Gwitchin First Nation			38,000	
- Little Salmon/Carmacks First Nation			38,000	
- Selkirk First Nation			38,000	
- Champagne & Aishihik First Nations			30,000	
Museums assistance	350,000	366,000		341,770
- Yukon Transportation Museum			47,891	
- Little Salmon/Carmacks First Nation			43,021	
- Dawson City Museum			37,764	
- MacBride Museum			35,597	
- Yukon Church Heritage Society			34,908	
- Yukon Historical and Museum Association			30,770	
- Teslin Historical & Museum Society			30,057	
- Miles Canyon Historic Railway Society			26,184	
- Champagne & Aishihik First Nations			13,366	
- Selkirk First Nation			12,500	
- Town of Faro			11,894	
- various transfer payments less than $10,000			17,818	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Tourism and Culture				
Other transfers (continued)				
Yukon Convention Bureau Society	$ 300,000	$ 300,000		$ 300,000
Wilderness Tourism Association of the Yukon	264,000	264,000		274,000
Tourism Industry Association of Yukon				244,000
- operational funding	144,000	144,000	$ 144,000	
- Yukon tourism marketing partnership	100,000	100,000	100,000	
Decade of sport and culture	200,000	207,000		208,945
- Yukon Arts Center Corporation			157,000	
- Sport Yukon			51,945	
Old Firehall programming - recipient	150,000	150,000		150,000
Yukon Quest International Association (Canada)				
- operation	150,000	150,000		150,000
Tourism North	110,000	110,000		136,617
Yukon Art Society - artist in the school	100,000	100,000		131,840
Selkirk First Nation - Fort Selkirk	125,000	125,000		129,845
Historic sites maintenance	100,000	162,000		104,207
- Anne Morgan			22,500	
- First Nation of Nacho Nyak Dun			17,050	
- Marc Johnston			15,700	
- Silver Trail Tourism Association			10,931	
- various recipients			38,026	
Stay another day				
- arts themed events	120,000	120,000		85,500
- Music Yukon			67,500	
- Friends of Yukon Archives			18,000	
- tourism - various recipients	25,000	22,000		10,000
Northern strategy				
- First Nations records diffusion project - various recipients	-	95,000		38,027
- training initiatives - various recipients	-	73,000		26,120
Yukon First Nations Tourism Association	60,000	60,000		60,000
Product development and resource assessment	50,000	50,000		50,379
- Klondike Visitors Association			20,160	
- Yukon Tourism Education Council			25,000	
- various recipients			5,219	
Champagne & Aishihik First Nations	-	-		50,000
Sourdough Rendezvous Society	50,000	50,000		50,000
Visual arts acquisition - Friends of the Gallery	10,000	10,000		25,000
Conservation and security	20,000	20,000		20,000
- MacBride Museum			11,000	
- Yukon Transportation Museum			9,000	
Guild Hall - infrastructure stimulus fund	-	20,000		20,000
Yukon Science Institute	17,000	17,000		17,000

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers for the year ended March 31, 2010

	Main Estimates	Revised Estimates		Actual
Tourism and Culture				
Other transfers (continued)				
Heritage trails - Kluane First Nation	$ -	$ 24,000		$ 16,100
Heritage attractions site support - various recipients	-	10,000		10,000
Various transfer payments less than $10,000	9,000	24,000		29,060
	4,579,000	5,323,000		5,867,869
Total other government transfers	**6,427,000**	**7,666,000**		**7,721,057**
Women's Directorate				
Other transfers				
Various women's groups	175,000	175,000		173,725
- Les essentielles			$ 35,000	
- Whitehorse Aboriginal Women's Centre			35,000	
- Yukon Women in Trades & Technology			35,000	
- Liard Aboriginal Women's Society			35,000	
- Yukon Status of Women Council			20,000	
- Victoria Faulkner Women's Centre			13,500	
- various recipients			225	
Family violence and violence against women prevention initiatives	200,000	200,000		95,501
- Kwanlin Dun First Nation			21,725	
- Skookum Jim Friendship Centre			16,589	
- Champagne & Aishihik First Nations			15,175	
- Selkirk First Nation			11,826	
- Yukon Aboriginal Women's Council			10,726	
- various recipients			19,460	
Victoria Faulkner Women's Centre				80,000
- operations	20,000	20,000	20,000	
- women's advocate	60,000	60,000	60,000	
Yukon Status of Women Council	12,000	12,000		12,000
Women's community projects - various recipients	5,000	5,000		5,000
Total other government transfers	**472,000**	**472,000**		**366,226**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2010

	Main Estimates	Revised Estimates	Actual
Yukon Housing Corporation (Transfer Payment)			
Other transfers			
Operations and maintenance	$ 3,872,000	$ 3,103,000	$ 329,980
Capital	2,678,000	4,497,000	3,076,269
Total other government transfers	**6,550,000**	**7,600,000**	**3,406,249**
Yukon Development Corporation (Transfer Payment)			
Other transfers			
Aishihik turbine	4,250,000	3,750,000	3,750,000
Interim electrical rebate	-	2,250,000	2,250,000
Total other government transfers	**4,250,000**	**6,000,000**	**6,000,000**
Totals			
Funding programs	21,482,000	26,790,000	22,712,553
Other government transfers	148,609,000	175,897,000	150,626,171
	$ 170,091,000	**$ 202,687,000**	**$173,338,724**

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2010

Warrant Number		Purpose	Amount (thousands of dollars)
No. 1	Operations and maintenance	Yukon Legislative Assembly	$ 1,236
		Elections Office	41
		Office of the Ombudsman	44
		Executive Council Office	6,015
		Community Services	6,744
		Economic Development	991
		Education	31,219
		Energy, Mines and Resources	14,602
		Environment	2,922
		Finance	701
		Health and Social Services	48,522
		Highways and Public Works	20,522
		Justice	11,517
		Public Service Commission	2,093
		Tourism and Culture	5,268
		Women's Directorate	100
		Yukon Housing Corporation	1,125
		Loan capital	5,000
			158,662
	Capital	Yukon Legislative Assembly	70
		Executive Council Office	101
		Community Services	4,517
		Economic Development	3,290
		Education	6,357
		Energy, Mines and Resources	1,186
		Environment	253
		Finance	4
		Health and Social Services	3,300
		Highways and Public Works	51,230
		Justice	1,068
		Public Service Commission	5
		Tourism and Culture	344
		Women's Directorate	4
		Yukon Housing Corporation	2,022
			73,751
			$ 232,413

The special warrant authorized spending for the purpose of financing government operations for the period April 1, 2009 to April 30, 2009. This warrant was subsequently approved by the *Interim Supply Appropriation Act* (Yukon) *2009-10.*

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants for the year ended March 31, 2010

Warrant Number	Purpose		Amount (thousands of dollars)
No. 2	Operations and maintenance	Yukon Legislative Assembly	$ 421
		Office of the Ombudsman	19
		Community Services	1,065
		Economic Development	588
		Education	733
		Environment	132
		Health and Social Services	11,542
		Highways and Public Works	947
		Justice	432
		Tourism and Culture	513
			16,392
	Capital	Education	34
		Energy, Mines and Resources	1,420
		Environment	832
		Highways and Public Works	2,615
		Justice	2,850
		Public Service Commission	26
			7,777
			$ 24,169

The special warrant authorized spending for the purpose of financing government operations for the period March 12 2010 to March 31, 2010. This warrant was subsequently approved by the *Third Appropriation Act* (Yukon) *2009-10.*

GOVERNMENT OF YUKON

Schedule 11

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2010

Accounts Receivable Written Off

Community Services	
Lorimer, Robert O/A Lorimer & Associates	$ 5,421
Education	
Battaglia, Craig	3,565
McDougall, Jeff	678
Environment	
Love, Laura	1,271
Health and Social Services	
LaPlante, Gary	34,578
Lebel, Denis	17,561
Levy, Nonaine	5,495
Cooper, Bruce	3,555
Gillis, Jason	1,826
Pottie, Laura	1,790
Pond, Diann	1,787
Leblanc, Sarah	1,203
Simenson, Bill	700
Tulk, Melissa	603
Moon, Bobbie Faye	587
Total accounts written off over $500	80,620
All departments - other miscellaneous accounts less than $500	3,452
Total accounts written off	**$ 84,072**

GOVERNMENT OF YUKON

Schedule 11

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2010

Property Taxes Receivable Written Off

Community Services		
Grandex Resources	$	18,058
Duncan Mines Ltd.		11,115
3641 Yukon Ltd.		7,655
Hamilton, Ian		5,607
Bailey, Robert K		5,572
Kesley, John		4,138
Sigma Group		4,067
De Pasquay & Larson, Carl		3,318
Capital Dynamics (Yukon) Ltd.		2,731
Gold City Resources Inc.		2,508
Whitehorse Boys and Girls Club		2,504
North Yukon Air		1,554
Daunt, Kieman		1,366
Gillette, John		1,366
Masters, Ken		1,366
Neil, Rita		1,366
Stone, Bart		1,366
Weinert Placer		1,366
Flick, Dave		1,364
R I S Homes		1,362
Young, David George		1,255
Berdard, Gilles		1,071
Bunka, Nick		1,071
Green, Francis		1,071
Webster, John		1,071
Weiz, Ernie		1,071
Pavasik, Mike		1,070
Stephenson, York & Hodges		1,068
Clark, Terry		1,041
Total property tax accounts written off	$	89,538

GOVERNMENT OF YUKON

Schedule 11

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2010

School Taxes Receivable Written Off

Community Services		
Shorty/Clunies-Ross/Simard	$	1,215
Jarvis/Regimbald/Ross		739
Squatter - Riverbank		714
Miller/Lemay/McCormick		666
Metcalfe, James & Blakely, Buffy		604
Squatters - Shipyards Park and Top of Wheeler Street		579
Squatter - Across Yukon River		528
		5,045
Other miscellaneous accounts less than $500		4,254
Total school tax accounts written off	**$**	**9,299**

Forgiveness

Health and Social Services		
Sliwinski, Julia	$	4,595

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SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

(audited)

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YUKON COLLEGE

FINANCIAL STATEMENTS

June 30, 2009

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YUKON COLLEGE
Management Responsibility

The financial statements are the responsibility of management and the Board of Governors of the College. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The financial statements include estimates based on the experience and judgement of management. The financial statements present fairly the financial position of the College as at June 30, 2009, and the results of its operations, changes in net assets and cash flows for the year then ended.

The College maintains books of account, financial and management control, and information systems, together with management practices designed to provide reasonable assurance that reliable and accurate financial information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of College objectives and that operations are carried out effectively.

These systems and practices are also designed to provide reasonable assurance that transactions are in accordance with the *College Act*, bylaws and policies of the College.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board meets on a periodic basis with management and the external auditor to review the scope and results of the annual audit, and to review the financial statements and related financial reporting matters. The Board of Governors has reviewed and approved the financial statements.

These financial statements for the year ended June 30, 2009 have been independently audited by the College's auditor, the Auditor General of Canada, and her report is included herein.

Dr. Terry Weninger
President

Wayne Coghill
Director, Administrative Services

October 23, 2009

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Board of Governors

I have audited the statement of financial position of the Yukon College as at June 30, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2009 and the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Guy LeGras, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
October 23, 2009

240 rue Sparks Street, Ottawa, Ontario K1A 0G6

YUKON COLLEGE
Statement of Financial Position
as at June 30

	2009	*2008*
ASSETS		
Current Assets		
Cash and cash equivalents (note 5)	$ 8,040,143	$17,604,558
Accounts receivable	1,607,903	1,304,981
Inventories	120,354	160,954
Prepaid expenses	57,490	30,857
	9,825,890	19,101,350
Other Assets		
Investments (note 6)	2,109,535	2,030,082
Accrued pension benefit asset (note 7 a)	6,654,100	5,943,500
Capital assets (note 8)	2,400,744	1,842,667
	$20,990,269	$28,917,599
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,435,838	$ 1,272,274
Deferred contributions (note 10)	6,784,307	15,416,101
	8,220,145	16,688,375
Long-term Liabilities		
Other employee future benefits (note 7 b)	3,169,600	3,041,400
Net Assets		
Capital (note 8)	2,400,744	1,842,667
Endowments (note 9)	1,947,249	1,931,930
Unrestricted	5,252,531	5,413,227
	9,600,524	9,187,824
	$20,990,269	$28,917,599

Lease commitments (note 16)
Contingent liabilities (note 17)

Approved by the Board of Governors

Chair

Member

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Statement of Operations
for the year ended June 30

	2009	*2008*
Revenues		
Contributions, Government of Yukon (note 12)	$19,882,760	$19,982,703
Third party contracts	10,336,609	8,119,836
Sales, rentals and services	1,365,244	1,382,891
Miscellaneous income (note 13)	799,028	664,379
Tuition and registration fees	591,815	579,554
Student assistance/scholarships	500,066	581,913
Interest income	185,290	483,913
	$33,660,812	$31,795,189
Expenses (note 11)		
Direct instruction	$12,139,611	$12,438,902
Direct instructional support	5,709,114	4,313,583
General administration	4,959,585	4,754,596
Services received without charge (note 12)	3,992,336	3,982,336
Research	2,506,479	1,818,517
Cost of sales	1,529,336	1,512,405
Facility services and utilities	1,323,227	1,233,621
Student assistance/scholarships	500,066	581,913
Amortization of capital assets	361,271	377,698
Employee leave and termination benefits	128,200	280,600
Miscellaneous	114,206	95,501
	$33,263,431	$31,389,672
Surplus of revenues over expenses	$ 397,381	$ 405,517

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Statement of Changes in Net Assets
for the year ended June 30

	Unrestricted	Capital	Endowments	*2009* Total	*2008* Total
Balance, beginning of year	$5,413,227	$1,842,667	$1,931,930	$9,187,824	$8,746,240
Investment in capital assets		919,348		919,348	662,095
Amortization of capital assets		(361,271)		(361,271)	(377,698)
Change in net assets – Capital	(558,077)			(558,077)	(284,396)
Endowment contributions			15,319	15,319	36,066
Surplus of revenues over expenses	397,381			397,381	405,517
Balance, end of year	$5,252,531	$2,400,744	$1,947,249	$9,600,524	$9,187,824

	2009	*2008*
Internally restricted funds (note 15):		
Unrestricted fund balance, end of year	$5,252,531	$5,413,227
Add: Other employee future benefits	3,169,600	3,041,400
	$8,422,131	$8,454,627

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Statement of Cash Flows
for the year ended June 30

	2009	*2008*
Cash flows from operating activities:		
Surplus of revenues over expenses	$ 397,381	$ 405,517
Items not affecting cash and cash equivalents		
Amortization of capital assets	361,271	377,698
Decrease in non-cash working capital balances	(8,757,184)	1,264,757
Increase in accrued pension benefit asset	(710,600)	(594,000)
Increase in other employee future benefits	128,200	280,600
Cash flows (used in)/from operating activities	(8,580,932)	1,734,572
Cash flows from financing activities:		
Endowment contributions	15,319	36,066
Cash flows from financing activities	15,319	36,066
Cash flows used in investing activities:		
Capital assets acquired	(919,348)	(662,095)
Increase in investments	(79,454)	(84,981)
Cash flows used in investing activities	(998,802)	(747,076)
Change in cash:		
Net (decrease) increase in cash and cash equivalents	(9,564,415)	1,023,562
Cash and cash equivalents		
Beginning of year	17,604,558	16,580,996
End of year	$ 8,040,143	$17,604,558

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Notes to Financial Statements
June 30, 2009

1. Purpose of the organization

Yukon College (the College) is a post-secondary educational institution and is incorporated under the *College Act*. The College is a not-for-profit organization and is a registered charity under the *Income Tax Act*. A significant portion of its funding is provided by the Government of Yukon. The College is not an institution of the Government of Yukon and, except to the extent an agency relationship is created by contracts with the Government, the College is not an agent of the Government.

The purpose of the College is to provide excellent, relevant and accessible learning opportunities.

2. New accounting standards

Section 3031 – Inventories

Effective July 1, 2008, the College adopted the new CICA handbook section 3031 – Inventories, which is based on International Accounting Standards (IAS) 2. This section replaces section 3030. Under the new section, inventories of supplies are required to be measured at the lower of cost and net realizable value. The standard also provides more extensive guidance on the measurement and disclosure requirements for inventories; significantly, the new standard allows the reversals of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. The adoption of this new standard resulted in no impact to opening balances at July 1, 2008.

Section 1535 – Capital disclosures

Effective July 1, 2008, the College adopted the new CICA handbook section 1535 – Capital disclosures. The standard requires the disclosure of information about the College's objectives, policies and processes for managing its capital, quantitative data about what the College regards as capital and whether the College has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The new section was applied prospectively. The additional disclosures required as a result of adopting this standard are included in note 18.

Section 1400 – General standards of financial statement presentation

Effective July 1, 2008, the College adopted the new CICA handbook section 1400 – General standards of financial statement presentation, which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the College's ability to continue as a going concern based on the assumption that the current funding levels are maintained and any committed future funding is received. If there are significant declines in funding, expenditures will be adjusted to match committed funding.

Sections 3862 and 3863 – Financial instruments – Disclosure and Presentation

On December 1, 2006, the CICA issued two new accounting standards CICA section 3862 – Financial instruments – Disclosures, and section 3863 – Financial instruments – Presentation. These standards apply to fiscal years beginning on or after October 1, 2007. The College has elected to continue to apply section 3861, as permitted for not-for-profit organizations under sections 3862 and 3863.

3. Significant accounting policies

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations, and the accounting policies adopted are consistent with the recommendations of the Canadian Association of University Business Officers.

b) Financial instruments

The College's financial instruments are classified as follows:

- Cash and cash equivalents, and investments – Held for trading
- Accounts receivable – Loans and receivables
- Accounts payable and accrued liabilities, and deferred contributions – Other liabilities

Held for trading

These financial assets are measured at fair value at the Statement of Financial Position date. Cash and cash equivalents, and investments are recorded at fair value.

Loans and receivables

These financial assets are initially measured at fair value and thereafter are measured at amortized cost using the effective interest method, less any impairment.

Other liabilities

These financial liabilities are recorded at amortized cost using the effective interest rate method.

c) Capital assets

Purchased equipment and leasehold improvements are recorded at cost. The items are amortized on a straight-line basis over their estimated useful lives.

	Years
Equipment – general	10
Leasehold improvements	20
Equipment – EDP	3
Furniture & fixtures	10
Mobile trailers	20
Vehicles	5

The Works of Art are capitalized at cost and no amortization is recorded.

d) Inventories

Inventories are recorded at the lower of cost and net realizable value.

e) Contributed services

The College benefits from services provided by volunteers in assisting the institution in carrying out its activities. The fair value of these services is not determinable and accordingly is not included in the financial statements.

3. Significant accounting policies (continued)

f) Employee future benefits

Pension benefits

The Yukon College Employees' Pension Plan is a contributory defined benefit pension plan. The pension plan fund provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees of the College. The College's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings, in accordance with the Federal *Pension Benefits Standards Act*, and is indexed in accordance with the change in Consumer Price Index for 12 months ending September 30th. For any unfunded pension liability, the College is contributing the balance of the costs of the plan as determined by the actuary. Contributions by the College are recorded in the financial statements using an accrued benefit method. The College has contracted with external organizations to provide the services of trustee, administrator, and investment manager for the pension plan. The pension plan assets are held by a trustee and separate financial statements are prepared for the pension plan.

The College accrues its obligations under the pension plan and the related costs, net of plan assets.

The cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, inflation rates, salary escalation, and retirement ages of employees.

For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the pension plan is 9 years.

Other non-pension benefits

The cost of benefit plans, other than pension, including severance benefits, sick leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services using management's best estimate of inflation rates, salary escalation, retirement ages of employees, and is recognized over the period in which the benefits are earned. The College accrues other vacation and severance benefits for employees as earned.

The excess of the net actuarial gain (loss) over 10% of the benefit obligation is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by these plans is 8.1 years.

3. Significant accounting policies (continued)

g) Revenue recognition

The College follows the deferral method of accounting for contributions. Restricted contributions are recognized in an amount equal to the amount reported as expenses under the terms of the restrictions.

Revenues received for a future period are deferred until the services are provided.

Unrestricted contributions, such as operating grants, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions, including interest earned, are recognized as direct increases in endowment net assets.

Sales, rentals and services; miscellaneous income; and tuition and registration fees are reported as revenue at the time the services are substantially provided or the products are delivered. Tuition fees received in advance of courses being delivered are deferred and recognized when the courses are delivered.

h) Net assets

The entire balance of unrestricted net assets has been internally appropriated by the Board of Governors for anticipated fiscal requirements not funded from other sources (see note 15).

Capital net assets are appropriated for equipment and leasehold improvements.

Endowment net assets are set aside for specific purposes. The principal must remain unexpended, but associated investment income may be expended in accordance with the various purposes established by the donors or the Board of Governors.

i) Internal appropriations

Internal appropriations are established under the authority of the Board of Governors, by appropriation from unrestricted net assets and other employee future benefits to provide for anticipated fiscal requirements not funded from other sources.

j) Services provided without charge

The free rental of the College's main campus and certain other facilities provided by the Government is recorded as contribution revenue and certain offsetting operating expenses (see note 12).

k) Use of estimates

The preparation of financial statement in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of lease commitments at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the defined benefit pension plan surplus and the liabilities for accrued severance, retirement and sick leave benefits, amortization, accounts receivable, accrued liabilities and deferred contributions. Financial results as determined by actual events could differ significantly from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

3. Significant accounting policies (continued)

l) Future accounting changes

Section 4400 – Financial statement presentation by not-for-profit organizations

This section was amended to:

a) eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets, and

b) require that revenues and expenditures be recognized and presented on a gross basis when a not-for-profit is acting as a principal in transactions.

This standard is effective for the College's fiscal year beginning on July 1, 2009. The College is in the process of determining if this new standard will impact its financial reporting significantly.

Section 4460 – Disclosure of related party transactions by not-for-profit organizations

This section was amended to be consistent with the related party accounting rules for private and public enterprises. This standard is effective for the College's fiscal year beginning on July 1, 2009. The College is in the process of determining if this new standard will impact its financial reporting significantly.

Section 4470 – Disclosure of allocated expenses by non-for-profit organizations

This section establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. This standard is effective for the College's fiscal year beginning on July 1, 2009. The College is in the process of determining if this new standard will impact its financial reporting significantly

4. Financial instruments

The College's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, and deferred contributions.

The fair value of the College's financial instruments approximate their carrying values due to the short-term nature of these instruments.

The College's financial instruments are exposed to the following risks: credit risk, interest rate risk, foreign exchange risk, and liquidity risk. The College manages these risk exposures on an ongoing basis. The College is not party to any financial derivatives.

Credit risk

Credit risk arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash and cash equivalents, investments and accounts receivable represents the maximum credit exposure. The credit risk associated with these instruments is considered to be minimal due to the nature of the instruments and the fact that the majority of the accounts receivable are due from the federal, territorial, first nation and municipal governments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The College is not exposed to significant interest rate risk on its cash and cash equivalents and investments, which are held in a Canadian chartered bank, due to the short-term nature of these instruments.

4. Financial instruments (continued)

Foreign exchange risk
Foreign exchange risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The College is not exposed to any significant foreign exchange risk because instruments held in foreign currency are not considered significant.

Liquidity risk
Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they become due. The College monitors its cash balance and cash flows from operations to ensure that it has sufficient liquidity on hand to meet its liabilities when due.

5. Cash and cash equivalents

	2009	*2008*
Cash	$ 8,040,143	$ (96,120)
Bankers acceptances	0	17,700,678
Total cash and cash equivalents	$ 8,040,143	$17,604,558

The average term to maturity of bankers acceptances was 28 days (2008 – 28 days). The College switched to investments in high interest earnings accounts in June, 2009.

The College has, if needed, an operating demand line of credit with its banker that allows the College to borrow up to $500,000 at bank prime. The credit line was unused at year-end. The College's credit facility interest rates are subject to fluctuations in the prime rate.

6. Investments

	2009	*2008*
Short-term deposits	$ 2,109,535	$ 263,386
Bankers acceptances	0	1,766,696
Total investments	$ 2,109,535	$ 2,030,082

A portion of the investments is externally restricted of which $1,947,250 (2008 - $1,931,930) is related to endowments.

The average annual return on investments was 1.7% (2008 - 4.1%). The average term to maturity of bankers acceptances was 28 days (2008 – 26 days). The College switched to investments in high interest earnings accounts in June, 2009.

7. Employee future benefits

a) Pension benefits

Assets in the Yukon College Employees' Pension Plan are based on fair values as reported by the custodian of the funds as at June 30, 2009. No adjustment is made for contributions/payments in transit at that date.

An actuarial valuation for accounting purposes was performed as of June 30, 2009 by Morneau Sobeco using the projected benefits method prorated on services. The next actuarial valuation for accounting purposes will be performed as of June 30, 2010.

An actuarial valuation for funding purposes was performed as of June 30, 2007 and the next actuarial valuation for funding purposes will be performed as of June 30, 2010. The actuarial valuation for funding purposes performed by the actuary established the College's required contributions as 246% of employee contributions. Under economic and demographic assumptions used in these calculations, this level of College contributions together with the employee contributions is sufficient to fund the current service costs of the plan benefits.

Total benefit payments were $1,783,400 (2008 - $1,898,400).

7. Employee future benefits (continued)

a) Pension benefits (continued)
The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

	2009	*2008*
Weighted-average assumptions for benefit costs		
Discount rate	5.75%	5.50%
Expected long-term rate of return on plan assets	7.00%	7.00%
Rate of compensation increase	4.25%	4.25%
Weighted-average assumptions for accrued benefit obligation		
Discount rate	6.25%	5.75%
Rate of compensation increase	4.25%	4.25%
Change in accrued benefit obligation:		
Accrued benefit obligation – beginning of year	$ 41,256,700	$ 39,216,700
Current service cost	2,390,400	2,257,900
Interest cost on benefit obligation	2,414,200	2,188,300
Employee contributions	851,100	782,400
Benefits paid	(1,783,400)	(1,898,400)
Actuarial losses (gains)	(3,348,100)	(1,290,200)
Accrued benefit obligation - end of year	$ 41,780,900	$ 41,256,700
Change in plan assets:		
Fair value of plan assets – beginning of year	$ 47,353,000	$ 48,418,700
Actual return on plan assets	(4,899,700)	(1,660,300)
Employer contributions	2,235,400	1,710,600
Employee contributions	851,100	782,400
Benefits paid	(1,783,400)	(1,898,400)
Fair value of plan assets - end of year	$ 43,756,400	$ 47,353,000
Market value of plan assets - end of year	$ 43,756,400	$ 47,353,000
Reconciliation of funded status:		
Accrued benefit obligation - end of year	$ 41,780,900	$ 41,256,700
Fair value of plan assets	(43,756,400)	(47,353,000)
Funding surplus	(1,975,500)	(6,096,300)
Unamortized past service costs	(161,000)	(241,500)
Unamortized net actuarial gain (loss)	(4,517,600)	394,300
Accrued benefit asset	$ (6,654,100)	$(5,943,500)

7. Employee future benefits (continued)

a) Pension benefits (continued)

	2009	2008
Elements of defined pension plan benefit costs recognized in the year:		
Current service cost, net of employee contributions	$ 2,390,400	$ 2,257,900
Interest cost on benefit obligation	2,414,200	2,188,300
Actual return on plan assets	4,899,700	1,660,300
Actuarial (gain) loss on accrued benefit obligation	(3,348,100)	(1,290,200)
Elements of employee future benefit costs before adjustments to recognize the long-term nature of employee future benefit costs	6,356,200	4,816,300
Adjustments to recognize the long-term nature of employee future benefit costs:		
Difference between expected return and actual return on plan assets for year	(8,260,000)	(5,070,400)
Difference between actuarial loss (gain) recognized for the year and actual actuarial benefit loss (gain) on accrued benefit obligation for year	3,348,100	1,290,200
Difference between amortization of past service costs for the year and actual plan amendments for year	80,500	80,500
Net periodic pension cost recognized	$ 1,524,800	$ 1,116,600

Based on fair value of plan assets held as at June 30, the assets were composed of:	2009	2008
Equity securities	56%	57%
Debt securities	39%	40%
Other	5%	3%
Total	100%	100%

The accrued benefit asset has been recorded on the College's books of account and is included on the statement of financial position as at June 30, 2009.

The funded status of the pension plan (a surplus of $1,975,500 as at June 30, 2009) presented in these financial statements has been determined on the basis that the pension plan remains a going concern. As at June 30, 2007, the date of the most recent actuarial valuation for funding purposes, the pension plan had a surplus of $2.7 million if valued on the basis that the pension plan were terminated/wound up as at June 30, 2007.

Since the solvency ratio of the plan was 106% at June 30, 2007, there is no solvency shortfall. During the fiscal year the College contributed $2,070,258 (2008 - $1,800,609) to the plan. The Government of Yukon provided pension funding of $ 817,014 (2008 - $703,296) to the College.

7. Employee future benefits (continued)

a) Pension benefits (continued)

The Government of Yukon has provided a funding commitment to the College to cover increased pension costs up to 2015. The maximum amount per year is summarized as follows:

2009/10	950,000
2010/11	300,000
2011/12	300,000
thereafter	690,300
	$ 2,240,300

The amount is subject to re-evaluation after each actuarial valuation.

All required contributions to the Plan have been made.

b) Other non-pension benefit plans

The benefit plan is not funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The benefits include severance, prorated sick leave, and other outstanding leave entitlements and will be paid from future sources of revenue. The actuarial valuation of the accrued benefit liability as at June 30, 2009 is:

	2009	*2008*
Accrued benefit obligation, end of year	$ 3,197,700	$ 3,160,300
Unamortized actuarial loss	(28,100)	(118,900)
Accrued benefit liability, end of year	$ 3,169,600	$ 3,041,400

The annual benefit plan cost and change in accrued benefit liability are as follows:

	2009	*2008*
Accrued benefit liability, beginning of year	$ 3,041,400	$ 2,760,800
Add: Annual benefit plan cost	513,300	474,800
Less: Benefits paid by College	(385,100)	(194,200)
Accrued benefit liability, end of year	$ 3,169,600	$ 3,041,400

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation are as follows:

		2009	*2008*
Weighted average assumption for accrued benefit obligation:			
Discount rate		5.75%	5.75%
Rate of compensation increase			
	for 9 years (2008 - 8 years)	4.25%	4.25%
	thereafter	4.75%	4.75%
Weighted average assumption for benefit costs:			
Discount rate		6.25%	5.50%
Rate of compensation increase			
	for 9 years (2008 - 8 years)	4.25%	4.25%
	thereafter	4.75%	4.75%

8. Capital assets

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	$2,056,399	$ 600,591	$1,455,808	$ 923,557
Equipment – general	912,867	468,626	444,241	323,052
Equipment – EDP	516,230	248,234	267,996	363,085
Mobile trailers	111,304	5,565	105,739	111,304
Furniture & fixtures	98,631	35,620	63,011	54,820
Art	52,349	-	52,349	52,349
Vehicles	14,500	2,900	11,600	14,500
	$3,762,280	$1,361,536	$2,400,744	$1,842,667

The land and buildings at Ayamdigut Campus are owned by the Government of Yukon and leased to the College at no charge. The Government of Yukon is responsible for major maintenance and upkeep of the building and grounds, and the College is responsible for minor interior maintenance and repairs.

9. Endowments

	2009	2008
Balance, beginning of year	$ 1,931,930	$ 1,895,864
Endowment contributions	15,319	36,066
Balance, end of year	$ 1,947,249	$ 1,931,930

Endowment contributions consist of principal and interest earned and allocated to the endowment in accordance with the terms of the trust agreement.

10. Deferred contributions

These represent unspent externally restricted resources which have been received and relate to expenses that will occur in subsequent periods, and are therefore not recognized as revenue until the related expenses are incurred. The amount of contributions received from the Yukon Government for future periods is the result of a timing difference in the receipt of government contributions. These funds are externally restricted not for a specific project or line of expenses but for the purposes of use in the coming period. Effective April 1, 2009 the contributions from the government are received on a quarterly basis (rather than on an annual basis as in previous years)

Change in Deferred Contributions:

	2009	2008
Balance, beginning of year	$15,416,101	$14,008,784
Amounts received in the year	21,036,682	29,220,170
Amount recognized to revenue in the year	(29,668,476)	(27,812,853)
Balance, end of year	$ 6,784,307	$15,416,101

The balance consists of funds restricted for:

	2009	2008
Contributions received from Government of Yukon for future periods	$ 4,191,466	$11,743,647
Capital	187,500	1,005,145
Trusts and endowments	602,675	888,814
Other O&M	1,802,666	1,778,495
Balance, end of year	$ 6,784,307	$15,416,101

YUKON COLLEGE
Notes to Financial Statements
June 30, 2009

11. Expenditures by object

	2009	2008
Salaries, wages and benefits	$19,467,823	$18,178,775
Contract services	5,471,902	4,604,346
Utilities and communications	2,045,286	1,962,400
Other	1,593,062	1,694,665
Cost of sales and ancillary services	1,529,336	1,512,405
Materials and Supplies	1,408,702	1,360,958
Travel	757,783	835,912
Student assistance/scholarships	500,066	581,913
Amortization of capital assets	361,271	377,698
Employee leave and termination benefits	128,200	280,600
	$33,263,431	$31,389,672

12. Government of Yukon contributions

	2009	2008
Operating contributions	$15,890,424	$16,000,367
Services provided without charge	3,992,336	3,982,336
	$19,882,760	$19,982,703

A significant portion of the College's income is received from the Government of Yukon in the form of annual operating contributions and services provided without charge. In 2009 Government of Yukon contributions made up 59% of total revenues (2008 - 63%).

The majority of the services provided without charge represent costs associated with facilities provided by the Government of Yukon at a reduced, or no, charge. The estimated value of these services is based on the Government's amortization expense (for the main campus), and on an estimated value for other spaces, plus any related operating expenses.

13. Miscellaneous income consists of the following:

	2009	2008
Pension contract recovery	$ 256,242	$ 278,174
Other miscellaneous revenue	216,897	133,977
Secondment recovery	146,265	134,108
Computer lab usage fees	92,599	44,795
General student fees	87,025	73,325
	$ 799,028	$ 664,379

14. Related party transactions

The College regularly enters into contracts for the provision of services to Departments of the Government of Yukon. These contracts, the value of which is $4,820,577 (2008 - $4,208,972), are recorded as third party contract revenue on the Statement of Operations. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

There was $414,980 of accounts payable and $780,887 of accounts receivable related to Government of Yukon at June 30, 2009.

15. Internal appropriations

The total of the unrestricted funds available for operations in future years has been internally appropriated and the balances allocated for the following:

	2009	2008
Human resource contingency	$ 500,730	$ 625,730
First Nations programs	400,000	400,000
Equipment replacement	275,000	400,000
Program development	213,199	400,000
Lease obligations	140,409	200,000
Northern Research Institute contingency	113,693	113,693
Self insurance reserve	100,000	100,000
Residence reserve	25,000	25,000
Pension actuarial reserve	0	246,704
Accrued pension benefit asset	6,654,100	5,943,500
	$8,422,131	$8,454,627

16. Lease commitments

The following is a schedule of future minimum payments under operating leases and system maintenance contracts entered into for more than one year:

2009-2010	$ 272,914
2010-2011	172,961
2011-2012	82,596
2012-2013	80,587
2013-2014	78,693
	$ 687,751

17. Contingent liabilities

The College is involved from time to time in litigation which arises in the normal course of operations. Liabilities on any litigation are recognized in the financial statements when the outcome becomes reasonably determinable. In management's judgment, no material exposure exists at this time on the eventual settlement of any existing litigation.

18. Capital disclosures

The College considers it capital to be its net assets which consist of Unrestricted and Capital. In general, Endowment funds are restricted as to use by external agencies. The College's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide services to its students, clients and research funding agencies. Annual budgets are developed and monitored to ensure the College's capital is maintained at an appropriate level. The College's base funding agreement with the Government of Yukon requires the College to ensure that no deficit is incurred, except that which may result from the full disclosure of leave accrual and depreciation charges, that can not be covered with internal resources. That condition has been met.

19. Comparative figures

Certain comparative figures for 2008 have been reclassified to conform with the 2009 presentation.

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YUKON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2009

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Yukon Development Corporation are the responsibility of management, and have been prepared in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The preparation of financial statements necessarily involves the use of estimates and approximations, which have been made using careful judgement. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the consolidated financial statements.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, the careful selection and training of qualified personnel, and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The financial statements have been examined by an independent external auditor. The external auditor's responsibility is to express an opinion on whether the consolidated financial statements, in all material respects, fairly present the Corporation's financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. In addition, the external auditor reports on whether proper books of account have been kept by the Corporation, the consolidated financial statements are in agreement therewith, and the transactions coming to their notice have, in all significant respects, been in accordance with specified authorities. The Auditor's Report, which follows, outlines the scope of this examination and the auditor's opinion.

The Corporation's Board of Directors, through its Audit and Finance Committee, oversees management's responsibilities for financial reporting. The Audit and Finance Committee meets with management and the independent external auditor to discuss auditing and financial matters, to gain assurance that management is carrying out its responsibilities and to review and approve the consolidated financial statements. The auditor has full and free access to the Audit and Finance Committee, with and without the presence of management.

Blaine R Anderson

David Morrison
Chief Executive Officer

Blaine Anderson, C.A.
Chief Financial Officer

Whitehorse, Yukon
March 12, 2010

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister Responsible for the Yukon Development Corporation

I have audited the consolidated balance sheet of Yukon Development Corporation as at December 31, 2009 and the consolidated statements of operations, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Yukon Development Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and by its wholly-owned subsidiary and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Corporation and of its wholly-owned subsidiary that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of Yukon and regulations, the *Yukon Development Corporation Act* and regulations, the *Public Utilities Act* and regulations, the *Business Corporations Act*, and the articles and bylaws of the Corporation and its wholly-owned subsidiary.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
March 12, 2010

240 rue Sparks Street, Ottawa, Ontario K1A 0G6

Yukon Development Corporation

Consolidated Balance Sheet

As at December 31, (in thousands of dollars)	2009	2008
Assets		
Current assets		
Cash	$ 17,167	$ 686
Accounts receivable (note 5)	9,180	5,291
Materials and supplies	2,758	2,566
Prepaid expenses	394	278
Current portion of direct financing leases (note 8)	760	682
	30,259	9,503
Energy infrastructure fund (note 6)	-	760
Customer contribution financing (note 7)	17,424	14,991
Direct financing leases (note 8)	575	1,335
Property, plant and equipment (note 9)	206,507	193,477
Diesel contingency fund (note 10)	887	883
Deferred uninsured losses (note 11)	111	556
Deferred charges (note 12)	13,506	10,673
	$ 269,269	$ 232,178
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	$ 6,668	$ 8,568
Construction financing (note 14)	25,000	-
Derivative related liability (note 25)	296	1,397
Current portion of long-term debt (note 16)	4,059	3,738
	36,023	13,703
Faro Mine dewatering deferral revenue (note 15)	397	1,191
Long-term pension liability (note 22)	1,036	801
Energy Infrastructure Fund (note 6)	-	760
Long-term debt (note 16)	30,926	29,936
Contributions in aid of construction (note 17)	46,258	39,959
Regulatory provision for future removal and site restoration costs	5,008	5,168
Diesel contingency fund (note 10)	887	883
	120,535	92,401
Equity		
Contributed capital	41,501	41,501
Retained earnings	107,233	98,276
	148,734	139,777
	$ 269,269	$ 232,178

Commitments and Contingencies (notes 23 and 24)

The accompanying notes are an integral part of the financial statements.

Approved by the Board:

Chair

Director

Yukon Development Corporation

Consolidated Statement of Operations, Comprehensive Income and Retained Earnings

For the year ended December 31, (in thousands of dollars)	**2009**	2008
Revenue		
Sales of power (note 18)	$ 31,321	$ 28,311
Government of Yukon - Interim electrical rebate program	1,427	-
Interest income	1,207	257
Allowance for funds used during construction	392	774
Other income	564	285
Finance income	174	245
	35,085	29,872
Expenses		
Administration (note 19)	8,263	7,841
Operations and maintenance (note 20)	7,597	6,760
Amortization of property, plant and equipment	5,061	5,140
Amortization of deferred charges and water licensing costs	2,146	948
Interest on long-term debt	1,550	1,229
Provision for uninsured losses (note 11)	150	50
	24,767	21,968
Net income before other items	**10,318**	7,904
Settlement of lawsuit	**-**	(3,000)
Rate stabilization/Interim electrical rebate program (note 1)	**(2,462)**	(2,167)
Unrealized gain (loss) on interest rate swaps (note 25)	**1,101**	(1,397)
Net income	**8,957**	1,340
Other comprehensive income	**-**	-
Comprehensive income	**8,957**	1,340
Retained earnings, beginning of year	**98,276**	96,936
Retained earnings, end of year	**$ 107,233**	$ 98,276

The accompanying notes are an integral part of the financial statements.

Yukon Development Corporation

Consolidated Statement of Cash Flows

For the year ended December 31, (in thousands of dollars)	**2009**	2008
Operating activities		
Cash receipts from customers	$ 31,614	$ 28,789
Cash paid to employees and suppliers	(20,789)	(15,855)
Interest paid	(1,550)	(1,229)
Interest received	1,381	502
Cash provided by operating activities	**10,656**	12,207
Financing activities		
Repayment of long-term debt	(3,689)	(1,936)
Proceeds from long-term debt	5,000	16,081
Proceeds from construction financing	25,000	-
Contributions in aid of construction	1,180	10,638
Cash provided by (used in) financing activities	**27,491**	24,783
Investing activities		
Addition to property, plant and equipment	(17,859)	(40,819)
Addition to deferred charges	(4,984)	(2,416)
Proceeds from investments	682	583
Proceeds from long-term receivable	495	-
Cash used in investing activities	**(21,666)**	(42,652)
Net increase (decrease) in cash	**16,481**	(5,662)
Cash, beginning of year	**686**	6,348
Cash, end of year	**$ 17,167**	$ 686

The accompanying notes are an integral part of the financial statements.

1. Nature of Operations

Yukon Development Corporation (the "Corporation") was originally established under the *Yukon Development Corporation Act* to participate with the private sector in the economic development of the Yukon, to make strategic investments to the benefit of the territory and to acquire and operate the assets of Northern Canada Power Commission in the Yukon. In 1993, the Corporation's mandate was changed to restrict its new initiatives to energy-related activities designed to promote the economic development of the Yukon.

The Corporation's wholly-owned subsidiary, Yukon Energy Corporation (the "Utility") was incorporated under the *Yukon Business Corporations Act*. The Utility transmits, distributes and sells electrical energy in the Yukon and is subject to overall regulation by the Yukon Utilities Board (YUB) and specific regulation by the Yukon Territory Water Board. Both of these boards are independent from the Utility. The Utility is also exempt from the Financial Administration Act (Yukon).

Rate regulation

The operations of the Utility are regulated by the YUB pursuant to the *Public Utilities Act (Yukon)*. There is no minimum requirement for the Utility to appear before the YUB to review rates. However, the Utility is not permitted to charge any rate for the supply of power that is not approved by an Order of the YUB. The Utility is subject to a cost of service regulatory mechanism under which the YUB establishes the revenues required (i) to recover the forecast operating costs, including depreciation and amortization, of providing the regulated service, and (ii) to provide a fair and reasonable return on utility investment or rate base. As actual operating conditions may vary from forecast, actual returns achieved can differ from approved returns.

The regulatory hearing process used to establish or change rates typically begins when the Utility makes an application for its proposed electricity rate changes over the next one or two forecast years. The YUB must ensure that its decision, which fixes electricity rates, complies with appropriate principals of rate making, all relevant legislation including the *Public Utilities Act* and directives issued by the Yukon Government through Orders-In-Council that specify how the interests of the customer and Utility are to be balanced.

The YUB typically follows a two-stage decision process. In the first stage, the total costs that the Utility will incur to provide electricity to its customers over the immediate future are reviewed and approved. The approval of these costs determines the total revenues the Utility is allowed to collect from its customers. It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- the costs to the Utility to run its operations and maintain its equipment (personnel and materials);
- the cost associated with the amortization of all capital equipment; and
- the return on rate base (the costs related to borrowing that portion of the rate base which is financed with debt, and the costs to provide a reasonable rate of return on that portion of the rate base which is financed with equity).

As well, in the first stage, the YUB reviews the addition of costs to the rate base and assesses these costs to ensure they are prudent.

In the second stage, the YUB approves how the revenue will be raised. This stage essentially determines the electricity rates for the various customer classes in the Yukon: residential, government, commercial and industrial. This process is guided mainly by requirements of Yukon Government Order-in Council 1995/90 and can include a cost-of-service study which allocates the overall Utility's cost of service to the various customer classes on the basis of appropriate costing principles.

Normally, the Utility applies for rates in advance of the applicable years. The last rate application was filed on October 6, 2008 for the 2008 and 2009 forecast years. The YUB released Order 2009-8 on September 8, 2009. This order gave the Utility direction on certain accounts for the 2008 and 2009 year.

1. Nature of Operations - continued

As the 2008 year was already completed the financial impact of the Order related to the 2008 year was accounted for through the 2009 year. The order resulted in a decrease of $404,000 of net income in the 2009 year.

Water regulation

The Yukon Territory Water Board pursuant to the *Yukon Waters Act* decides if and for how long the Utility will have a water license for the purposes of operating hydro generation stations in the Yukon. The licenses will also indicate terms and conditions for the operation of these facilities.

Capital structure

The Utility's policy is to maintain a capital structure of 60% debt and 40% equity at year end. Annual dividends are declared to the parent and typically loaned back in order to maintain this ratio.

Rate stabilization fund

In May 2008, the Yukon Government authorized the continuation of the Rate Stabilization Fund (the "Fund") for one year at current levels, to July 1, 2009. The Fund provided subsidies to non-government residential, commercial and municipal customers. It was implemented in 1998 after the Faro mine closed to protect customers from significant bill increases that would have resulted from that shutdown. Effective July 1, 2009 the Yukon Government introduced a new rate subsidy program called the Interim Electrical Rebate, which will be in effect until June 30, 2010. The rebate applies to non-government residential and municipal customers. The Yukon Government is providing funding for the Interim Electrical Rebate to a maximum of $3 million. In 2009, the Corporation received $1.427 million in funding for the program. The total subsidy payments made by the Corporation during the current year were $2.462 million (2008 - $2.167 million)

2. Accounting Changes

Rate regulation

Effective January 1, 2009, the Canadian Institute of Chartered Accountants (CICA) has removed the temporary exemption in Section 1100 Generally Accepted Accounting Principles, which provides relief to entities subject to rate regulation from the requirement to apply the section of the recognition and measurement of assets and liabilities arising from rate regulation. Canadian GAAP permits an entity to consult sources other than primary sources of GAAP to assist in selecting accounting policies. In particular, accounting standards published with the authority of the US Financial Accounting Standards Board (FASB). The Utility has consulted FASB and, more specifically, section SFAS 71 in regards to rate regulated accounting and the Utility meets the criteria set out by this section. The Utility will be following SFAS 71 for recording rate regulated assets and liabilities. The CICA continues to give direction on how to disclose rate regulated accounting and the Utility follows this direction. The adoption of this standard did not have an impact on the Utility's financial statements since the recognition standards under SFAS 71 are similar to previous Canadian GAAP.

Goodwill and intangible assets

Effective for years starting on or after October 1, 2008, the CICA has issued Section 3064 Goodwill and Intangible Assets which replaces Sections 3062 Goodwill and Other Intangible Assets and 3450 Research and Development. The new section is in alignment with International Financial Reporting Standards, International Accounting Standard 38 - Intangible Assets (IFRS IAS 38) with respect to the definition and initial recognition criteria of intangible assets, including internally generated intangible assets. Section 3064 reinforces the distinction between costs that should be expensed and those that should be capitalized. As a result of adopting Section 3064, the Utility classified $5,222,000 of deferred water licencing costs as an intangible.

2. Accounting Changes - continued

Credit risk and the fair value of financial assets and financial liabilities

In January 2009, the Emerging Issues Committee (EIC) of the CICA issued EIC Abstract 173 "*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*" (EIC 173) which requires the consideration of the Corporation's own credit risk and the credit risk of the Corporation's counterparty when determining the fair value of financial assets and liabilities. The adoption of this new section was effective for the Corporation's financial statements for the year ended December 31, 2009 and did not have a significant impact on the Corporation's financial statements.

Financial instruments

In June 2009, the CICA amended Section 3862 "*Financial Instruments - Disclosures*" to include additional disclosure requirements regarding fair value measurements of financial instruments and enhanced liquidity risk disclosures. All financial instruments measured at fair value must be classified in fair value hierarchy levels, which are as follows:
Level 1 - Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities.
Level 2 - Level 2 financial instruments are valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or models using inputs that are observable.
Level 3 - Financial instruments are considered level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

Liquidity risk disclosure was also enhanced with the inclusion of a maturity analysis for derivative and non-derivative financial liabilities. The amendments were effective for the Corporation's financial statements for the year ended December 31, 2009. To provide relief for financial statement preparers, the CICA decided that comparative financial information for the new disclosures was not required in the first year of application. As the amendments only concern disclosure requirements, they do not have an impact on the results or financial position of the Corporation. The required disclosures are included in note 25.

3. Significant accounting policies

Financial statement presentation

The consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and include the accounts of Yukon Development Corporation and its wholly owned subsidiary, Yukon Energy Corporation. All significant inter-company transactions and balances have been eliminated on consolidation. The consolidated financial statements also reflect the regulatory policies adopted by the Utility which differ from the accounting policies otherwise expected using GAAP. In particular, the timing of the Utility's recognition of certain assets, liabilities, revenues and expenses as a result of regulation differ from that of a non-regulated enterprise. Impacts of accounting for rate regulated operations are further described in note 4. Consequently, the significant accounting policies have been classified accordingly in the notes below:

Rate regulated accounting policies adopted by the Utility

Property, plant and equipment

The Utility capitalizes an allowance for funds used during construction ("AFUDC") calculated at the weighted average cost of capital which was 7.61% for 2009 (2008 - 7.61%). Upon retirement or disposal any gain or loss is charged to income in the current year for assets amortized on an individual basis, or charged to accumulated amortization for assets amortized on a pooled basis.

3. Significant accounting policies - continued

Faro Mine dewatering deferral revenue
Faro mine dewatering deferral revenue represents amounts ordered by the YUB to be held by the Utility on behalf of ratepayers. Typically these amounts are either refunded to the customers or applied to ratepayer deficits through the ratesetting process or through YUB orders.

Deferred uninsured losses
The Utility maintains a regulatory account for recording uninsured losses. An annual provision is approved by the YUB and collected through customer rates. Variances between the approved annual provision and actual costs incurred are deferred until the following general rate application or until a specific application is made to the YUB requesting recovery from or refund to customers.

Deferred charges
Deferred charges are recorded at cost less accumulated amortization.

All deferred charges are amortized to earnings on a straight-line basis over terms approved by the Yukon Utilities Board.

Cost of feasibility studies and infrastructure planning which did not result in a capital project are amortized over terms raging between five and ten years.

Deferred customer service costs are amortized over twelve years.

The deferred hearing cost account is used to record the deferral of costs associated with preparation and defense of applications to the YUB. The periods of amortization range from 2 to 45 years.

Regulatory provision for future removal and site restoration costs
The Utility maintains a provision for the future removal of property, plant and equipment and the costs of site restoration related to those assets. Per YUB Order 2005-12 no additional provision is permitted.
This account provides for the costs of demolishing, dismantling, tearing down, or otherwise disposing of an asset and any site restoration costs, net of actual recoveries. This account is not used when the costs relate to an asset retirement obligation.

Deferred insurance proceeds
Deferred insurance proceeds represents a gain on fire insurance proceeds received related to a fire at the Whitehorse Rapids Generating Station in 1997. The proceeds are being amortized to income on the same basis as the replacement assets.

Diesel contingency fund
The Utility maintains an asset and an offsetting liability on behalf of ratepayers. The fund is used to reimburse the Utility for costs associated with diesel generation required when there is not sufficient water for hydraulic generation to meet demand. The Utility is required to file an annual report with the YUB on the fund's activity.

Generally Accepted Accounting Principles ("GAAP") adopted by the Corporation and Utility

Revenue recognition
All revenues are recognized in the period earned. Revenue from the sale of power is recognized based on cyclical meter readings. Sales of power includes an accrual for electricity deliveries not yet billed.

3. Significant accounting policies - continued

Materials and supplies
Diesel fuel, materials and supplies are recorded at the lesser of average cost and net realizable value. Obsolete materials and supplies are recorded at salvage value in the period when obsolescence is determined. Major spare parts are recorded in the Utility's books as property and equipment.

Property, plant and equipment
Property, plant and equipment is stated at cost, other than the AFUDC component which is recorded under rate regulated accounting. Cost includes materials, direct labour, a proportionate share of directly attributable administration overhead, and finance charges capitalized during construction, less accumulated amortization. Amortization is based on the straight-line method over the estimated economic life of the assets as follows:

Generation	
Hydro-electric plants	30 to 65 years
Diesel plants	25 to 45 years
Wind turbines	30 years
Transmission	40 to 50 years
Distribution	30 to 40 years
Buildings	20 to 40 years
Financial Information System	5 to 10 years
Transportation	9 to 31 years
Other equipment	5 to 20 years

Asset retirement obligations
On an annual basis the Utility identifies legal obligations associated with the retirement of tangible long-lived assets. Where a reasonable estimate of the fair value of these obligations can be determined, the total retirement costs are to be recorded as a liability at fair value, with a corresponding increase to property, plant and equipment.

The Utility has determined that it has tangible long lived assets with associated future legal obligations for retirement. As the Utility anticipates using the assets for an indefinite period, the date of removal of these assets cannot be reasonably determined, and therefore an asset retirement obligation has not been recorded. When the timing and amount of the retirement can be reasonably estimated, an asset retirement obligation and the corresponding increase in property, plant and equipment asset will be recognized.

Direct financing leases
Investments in direct finance leases are carried at the lower of cost and net realizable value.

Contributions in aid of construction
Certain property, plant and equipment additions are made with the assistance of cash contributions from customers or Government. These contributions are deferred upon receipt and are amortized to income on the same basis as the assets to which they relate. Amortization of contributions from customers is netted on the statement of operations against amortization expense.

Deferred water licensing costs
Costs related to obtaining water license renewals are deferred and amortized to earnings on a straight line basis over the term of the license. The Utility operates its hydro generation facilities under three separate water licenses, with terms ranging from 17 to 25 years. These costs are treated as intangible assets and are measured at initial cost and amortized over the life of the water license.

3. Significant accounting policies - continued

Employee pension plan

The Utility has a defined benefit pension plan which provides for pensions based on length of service and final average earnings. Employees joining the Utility after January 1, 2002 are not eligible to participate in the defined benefit plan. The cost of pension benefits is actuarially determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Adjustments resulting from plan enhancements, actuarial gains and losses, and changes in assumptions are amortized over the expected average remaining service period of active employees. Pension costs include the current cost of service, amortization of past service benefits and plan enhancements, and actuarial gains and losses. Unrecognized gains and losses are amortized on a straight-line basis over the expected average remaining service period of active employees, which is currently 12 years. The transitional asset that arose when this policy was first applied is amortized over the average remaining service period of active employees expected to receive benefits under the benefit plan as of January 1, 2000. The expected return on plan assets is based on the fair value of these assets.

Financial instruments

Financial assets and financial liabilities are recognized on the Corporation's balance sheet when the Corporation becomes party to the contractual provisions of the instrument.

Cash

Cash is comprised of cash on hand and in bank accounts.

Accounts receivable and long-term receivable

Accounts receivable and the long-term receivable, classified as loans and receivables, are initially measured at fair value. Subsequent to initial recognition, accounts receivable and the long-term receivable are measured at amortized cost less any impairment.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities, classified as other financial liabilities, are measured at amortized cost.

Short and long-term debt

Short and long-term debt, classified as other financial liabilities, are initially recognized at fair value. Subsequent to initial recognition, short and long-term debt is measured at amortized cost.

Derivative financial instruments

Derivative financial instruments are financial contracts that derive their value from changes in an underlying variable. The Corporation has entered into interest rate swaps to manage interest rate risk. The Corporation's interest rate swaps are designated as held for trading and are thus recognized at fair value on the date the contract has been entered into with any subsequent unrealized gains and losses reported in net income during the period in which the fair value movement occurred.

Fair value estimation

The carrying value of the accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the immediate or short-term maturity of these financial instruments. The fair value of the long-term receivable and the long-term debt is estimated by discounting the future cash flows using current rates for financial instruments subject to similar risks and maturities. The fair value of derivative financial instruments is estimated using standard market valuation techniques and is provided to the Corporation by the financial institution that is the counterparty to the transactions.

3. Significant accounting policies - continued

Environmental liabilities
Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. The Utility will accrue a liability and record an expense, related to present or past activities of the Utility, when there is a legal obligation to remediate the contamination and the costs can be reasonably estimated. If the likelihood of the Utility's obligation to incur these costs is either not determinable or the costs cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. The Corporation reviews its estimates of future environmental liabilities on an ongoing basis as described in Note 24.

Measurement uncertainty
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates include those for revenue, accounts receivable, property, plant and equipment, asset retirement obligations, employee pension obligations and regulated assets and liabilities. Actual results could differ by a significant amount from these estimates.

Management's estimates and assumptions, especially those affecting the reported amounts of regulated assets and the Utility's ability to recover the cost of these assets through future rates, are subject to decisions of the YUB as described in note 4.

Future accounting changes

On February 13, 2008 the Canadian Accounting Standards Board confirmed the adoption of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) in place of Canadian Generally Accepted Accounting Principles (GAAP) effective January 1, 2011. The Corporation and the Utility are required to present their first set of published IFRS statements for the year ended December 31, 2011 with comparative information. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are differences in accounting standards and the Corporation and the Utility are currently assessing the impact of those differences.

As a first time adopter of IFRS, the Corporation is required to apply IFRS 1 "First Time adoption of International Financial Reporting Standards". A number of exemptions are available under this Standard which the Corporation is currently evaluating. The more significant exemptions include: recognizing through opening retained earnings all cumulative actuarial gains and losses on employee benefit plans, electing to use fair value at the transition date as deemed cost for capital assets in certain circumstances and the opportunity to apply decommissioning liabilities prospectively.

To facilitate the conversion process, the Corporation has appointed an external advisor and assembled a core project team. Project planning started with a high level diagnostic review of significant differences between IFRS and Canadian GAAP. The second phase of the plan is the detailed analysis and design. This phase involves the detailed assessment, from an accounting, reporting and business perspective of the changes that will be caused by the conversion to IFRS. While all the effects of IFRS have not been fully determined, the Corporation has identified a number of key areas where it is likely to be impacted by changes in accounting policy. Areas with significant differences that will impact the Utility include: regulatory accounting, property, plant & equipment, employee benefits, impairment of assets and the overall presentation of the financial statements.

4. Financial statement effects of rate regulation

Certain items in these consolidated financial statements are accounted for differently than they would be in the absence of rate regulation.

Where regulatory decisions dictate, the Utility defers certain costs or revenues as assets or liabilities on the balance sheet and records them as expenses or revenues on the statement of operations as it collects or refunds amounts through future customer rates. Any adjustments to these deferred amounts are recognized in income in the period that the YUB renders a subsequent decision. Regulatory assets represent future revenues associated with certain costs, incurred in the current period or in prior periods, which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory liabilities represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate-setting process.

In the absence of rate regulation the Utility's net income would have decreased by $4,199,000 in 2009 (2008 - decreased by $3,016,000). The following describes each of the circumstances in which rate regulation affects the accounting for a transaction or event:

	2009	2008	Expected remaining recovery/ settlement (years)	For 2009 In the absence of Rate Regulation the Utility's Net Income would have increased (decreased) by:
Regulatory assets				
Deferred charges (note 12), net book value				
Feasibility studies and infrastructure planning	$ 6,455	$ 2,943	5 to 10	$ (3,512)
Deferred customer service costs	700	764	11	64
Hearing costs	1,074	1,348	2 to 45	274
Dam safety review	-	13	0	13
Deferred uninsured losses (note 11)	111	556	Indeterminate	32
Diesel contingency fund (note 10)	887	883	Indeterminate	(4)
	9,227	6,507		(3,133)
Regulatory liabilities:				
Faro Mine dewatering deferral revenue (note 15)	397	1,191	Indeterminate	(381)
Deferred insurance proceeds (note 17)	7,086	7,356	26	(270)
Regulatory provision for future removal and site restoration costs	5,008	5,168	Indeterminate	(160)
Diesel contingency fund (note 10)	887	883	Indeterminate	4
	13,378	14,598		(807)
Net impact of assets and liabilities	$ (4,151)	$ (8,091)		$ (3,940)
Impact of other items through income statement				
AFUDC				(392)
Fuel Price Adjustment				133
Total effect				(4,199)

Regulatory assets

(a) Deferred charges

Deferred charges represent costs which have been deferred and are being amortized over various periods. In the absence of rate regulation, GAAP would require such costs to be recognized as expenses in the year incurred.

4. Financial statement effects of rate regulation - continued

Feasibility studies and infrastructure planning
The Utility undertakes certain projects whose objective is to determine the feasibility of a range of solutions. While in progress, the costs of these feasibility projects are included in these accounts. As well, if the feasibility project determines there is not a viable solution, these projects are closed out and amortized to income over a prescribed number of years. These values are also included in the feasibility accounts. The cost of feasibility projects that result in a capital project are transferred to the cost of the resultant project. In the absence of rate regulation, expenses in 2009 would have been $3,512,000 higher (2008 - $624,000 higher expenses).

Deferred Customer Service Costs
The costs associated with negotiating terms of service with a new industrial customer. In the absence of rate regulation, expenses in 2009 would have been $64,000 lower. (2008 - $764,000 higher expenses)

Hearing costs
These costs are associated with the YUB regulatory proceedings that were held in 2009 and the Resource Plan Proceedings that were held in 2007. The costs consist primarily of legal and consulting costs incurred by the Utility, and reimbursement of YUB and intervenor costs. YUB Order 2009-8 directed the Utility to defer and amortize the hearing costs over two years and the Resource Plan Proceeding costs over ten years. In the absence of rate regulation, expenses in 2009 would have been $274,000 lower. (2008 - $277,000 higher expenses)

Dam safety review
The Utility has a program of conducting reviews of the safety of its dams in accordance with standards set by the Canadian Dam Association. External consultants are hired every five years with intermittent costs incurred in the interim periods. These costs are amortized over five years as approved by the Utility's 1991/92 General Rate Application and reconfirmed in YUB Order 2005-12 and YUB 2009-8. In the absence of rate regulation, expenses in 2009 would have been $13,000 lower (2008 - $14,000 lower expenses).

(b) Diesel contigency fund
The Diesel contingency fund ("DCF") was established by YUB Order 1996-6 through the Negotiated Settlement process. The DCF is administered by the Utility on behalf of the YUB, and as such is recorded as an asset and a liability. The DCF attracts interest based upon short-term bond rates in which the Utility invests the funds. Any negative balance attracts interest at the lowest short-term borrowing rate available to the Utility through its line of credit. Pursuant to YUB Order 1996-6, the Utility from time to time is required to transfer amounts to or from the fund it maintains on behalf of ratepayers to reimburse the Utility for costs associated with diesel generation required when there is not sufficient water for hydraulic generation to meet demand. In the absence of regulation, GAAP would have required any interest earned or incurred to be included in the Utility's net income in the year in which they occurred. In the absence of rate regulation, the Utility's income and expenses in 2009 would have been higher by $4,000 from interest earned on the DCF (2008 - $27,000 higher income and expenses).

(c) Deferred uninsured losses
The YUB has approved the use of a provision for uninsured damages and injuries as a means of self-insurance. The provision is maintained through an annual provision approved by the YUB. In order to eliminate the deficit rate payers owed as a result of uninsured losses, the Utility was directed by YUB Order 2009-8 to transfer $413,000 of the Faro Mine dewatering deferral revenue account to the Deferred uninsured losses account. In addition the YUB approved a provision of $150,000 relating to 2008 and 2009 and an annual provision of $100,000 for every year thereafter. In the absence of rate regulation, GAAP would require costs to be expensed as incurred and, therefore, expenses in 2009 would have been lower by $32,000 (2008 - $93,000 higher expenses). The period over which the provision will be recovered is dependent on the magnitude of future actual losses incurred and cannot be estimated.

4. Financial statement effects of rate regulation - continued

Regulatory liabilities

(d) Faro Mine dewatering deferral revenue
As directed by YUB Order 1998-5, all revenues, less any incremental costs to provide the service, collected from the Faro Mine under Rate Schedule 34 (Faro Mine Firm Shutdown Power) prior to December 31, 2004, were deferred for the benefit of ratepayers pending direction from the YUB. YUB Order 2005-12 confirmed that effective January 1, 2005 the Faro minesite would be charged the General Service - Government rate so there will be no further increases to Faro Mine dewatering deferral revenue account. This order also approves the Utility to draw down on the Faro Mine dewatering revenue to fund its approved revenue shortfall. YUB Order 2009-8 set the approved 2009 revenue shortfall at $381,000. In the absence of rate regulation, GAAP would have required only the recognition of actual sales earned during the year. As a result, the Utility's sales of power in 2009 would have been $381,000 lower. YUB Order 2009-8 also approved the Utility to offset $413,000 from this account to the Deferred uninsured losses account which did not have an effect on the income statement.

The period over which the remaining liability will be recognized as revenue for the benefit of ratepayers is dependent on future YUB Board orders and, therefore, cannot be estimated.

(e) Deferred insurance proceeds
The deferred insurance proceeds relates to a fire at the Whitehorse Rapids Generating Station in 1997 which, pursuant to YUB Order 2000-3, is being amortized to income at the same rate as the replacement assets. In the absence of rate regulation, GAAP would have required the gain to have been completely recognized as income in the year received. As a result, the Utility's net income in 2009 would have been lower by the amount of the amortization of $270,000 (2008 - $270,000 lower).

(f) Regulatory provision for future removal and site restoration costs
Pursuant to amortization rates approved by the YUB in the Utility's previous general rate applications the Utility has maintained a reserve for future removal and site restoration costs. As a result of the YUB Order 2005-12, effective January 1, 2005, the Utility is required to maintain this reserve as a regulatory provision in addition to any asset retirement obligations. The provision is not to exceed the cumulative value of the provision at December 31, 2004 of $5,757,000. YUB Order 2005-12 also directs the Utility to notify interveners and interested parties when the balance of the provision reaches $2,000,000.

Costs of dismantling capital assets, including site remediation, will be applied to this regulatory liability if they do not otherwise relate to an asset retirement obligation. In a non-regulated industry, future removal and site restoration costs would be limited to asset retirement obligations, and the removal and site restoration costs would be expensed in the year incurred if they did not relate to an asset retirement obligation. In the absence of rate regulation, the Utility's 2009 expense would have been higher by the amount of actual removal and site restoration costs incurred in the year of $160,000 (2008 expenses - $73,000 higher). The period over which the provision will be settled is dependent on the future costs of demolishing, dismantling, tearing down, or otherwise disposing of the asset, and site restoration net of actual recoveries, and is, therefore, indeterminate.

(g) Fuel price adjustment
OIC 1998/90 directs the YUB to permit the Utility to adjust electricity rates to reflect fluctuations in the price of diesel fuel. The amount by which actual fuel prices vary from the YUB approved rates is deferred and recovered from or refunded to customers in a future period.

In the absence of rate regulation, GAAP would require that actual diesel fuel expenses be included in the operating results of the year that they are incurred. In 2009, fuel expenses were deferred and consequently lower by $133,000 (2008 fuel expense higher by $179,000).

4. Financial statement effects of rate regulation - continued

Other items affected by rate regulation
The Utility is required under the *Public Utilities Act* to obtain prior approval from the YUB before making changes to depreciation, amortization, and depletion rates and methods. The YUB permits an allowance for funds used during construction ("AFUDC"), based on the Utility's weighted average cost of capital, to be included in the rate base. AFUDC is also included in the cost of property, plant and equipment for financial reporting purposes, and is amortized over future periods as part of the total cost of the related asset, based on the expectation that amortization expense, including the AFUDC component, will be approved for inclusion in future customer rates. Since AFUDC includes not only a cost of debt component, but also a cost-of-equity component, it exceeds the amount allowed to be capitalized in similar circumstances in the absence of rate regulation. In the absence of rate regulation, revenue would be $392,000 lower (2008 - $774,000 lower).

It is the Utility's policy to charge to income, in the year of disposal, any gain or loss upon retirement or disposal of land or vehicles. As approved by the YUB, the gain or loss on all other property, plant and equipment is deferred and amortized over the expected life of the remaining pool of similar assets. In the absence of rate regulation, GAAP would require the gain or loss on the disposal or retirement of all property, plant and equipment to be included in income in the period of disposal or retirement. The Utility's policy of maintaining a constant capital structure of 60% debt and 40% equity is reviewed by the YUB as part of the rate setting process and in the determination of the return on rate base. In the absence of rate regulation, the Utility would determine the appropriate capital structure solely based on decisions by the Board of Directors of the Utility, which may differ from the current policy.

All amounts maintained as regulatory assets and liabilities are expected to be recovered or settled over the periods noted above. However, there are risks and uncertainties associated with the recovery or settlement related to potential future decisions of the regulator which could result in material adjustments to these assets and liabilities.

5. Accounts receivable

	2009	2008
Green Infrastructure funding	$ 3,200	$ -
Wholesale energy sales	2,761	2,773
Other	1,726	348
Retail energy sales	1,493	1,161
Customer contribution financing (note 7)	-	1,009
	$ 9,180	$ 5,291

6. Energy infrastructure fund

	2009	2008
Energy infrastructure fund	**$ -**	$ 760

Energy infrastructure fund represents cash held by the Corporation on behalf of a Yukon First Nation for investment in energy infrastructure. The ultimate use of these funds is subject to the finalization of necessary investment agreements, which were finalized during the year and the funds were closed. An equal offsetting liability is recorded. The amount is recorded at fair value.

7. Customer contribution financing

Under the terms of a Power Purchase Agreement with an industrial customer, the Utility has agreed to finance the cost of transmission assets built to serve the customer. Initial financing started November 22, 2008, the date the transmission line came into service.

The financing is structured in two parts: a $7.2 million contribution towards the cost of the main line expansion and $10.8 million contribution for the cost of the 27 km spur line to the mine for a total of $18 million. The customer is obligated to make interest only payments on the outstanding debt until 2012. From 2012 to 2017, the customer is obligated to make blended principal and interest payments such that the debt is extinguished by November 2017. This repayment schedule is subject to verification of mine life based on assessment of available reserves.

At the direction of the YUB, the collection risk on this instrument is borne by YDC. Accordingly, YDC has loaned cash in an amount equal to this receivable at substantially the same terms. The Utility has recorded this loan as long term debt and, if the industrial customer defaults on their debt, the Utility is released from the obligation to re pay YDC. The fair value of the long term receivable as at December 31, 2009, is approximately $18.7 million.

8. Direct financing leases

The Corporation's investments in direct financing leases are summarized as follows:

	2009	2008
Direct financing leases	$ 1,335	$ 2,017
Less: current portion	760	682
	$ 575	$ 1,335

In 1990, the Corporation acquired the building known as Old Yukon College from the Yukon Government for a nominal fee. The building was renovated and is being leased back to the Government for a period of 20 years. At the end of the lease term (in 2011) the Government may purchase the building from the Corporation for a nominal fee. Interest from the lease is recognized as finance income. The investment was $1,056,807 in 2009 (2008 - $1,666,169). The monthly lease payments on the building are $65,348.

In 2003, the Corporation financed an electric boiler system for the Yukon Hospital Corporation for a total cost of $595,898. The repayment terms on this lease stipulate that one half of the energy cost savings resulting from the boiler usage during the year will be repaid against the investment. Interest on this investment is earned at the rate of 7.5% per annum and is recognized as finance income. The investment balance was $278,216 in 2009 (2008 - $350,884).

9. Property, plant and equipment

	Cost	Accumulated Amortization	**2009** Net Book Value	2008 Net Book Value
Generation	$ 142,233	$ 54,554	$ 87,679	$ 87,606
Transmission	77,806	13,792	64,014	64,735
Buildings and other equipment	17,502	6,839	10,663	10,352
Distribution	26,982	7,023	19,959	20,586
Construction-in-progress	20,854	-	20,854	7,184
Transportation	3,369	1,148	2,221	1,897
Financial information system	1,303	1,303	-	-
Land and land rights	1,117	-	1,117	1,117
	$ 291,166	**$ 84,659**	**$ 206,507**	$ 193,477

10. Diesel contingency fund

	2009	2008
Balance, beginning of year	$ 883	$ 856
Interest	4	27
Balance, end of year	**$ 887**	$ 883

The annual return on investment for 2009 was 0.45% (2008 - 3.43%). The fair market value of these investments is equal to the carrying amount due to the short term maturity of the investments.

11. Deferred uninsured losses

	2009	2008
Balance, beginning of year	$ 556	$ 463
Provision	(150)	(50)
Transfer from Regulatory liabilities	(413)	-
Losses incurred		
Asset replacement	118	143
Balance, end of year	**$ 111**	$ 556

YUB Order 2009-8 directed that $413,000 be transferred from the Faro Mine dewatering revenue account to the Deferred uninsured losses account. This same order directed the Utility to charge $100,000 to this provision starting in 2008. As the order was issued after the 2008 accounts were closed, the increase in provision for both years was recognized in income in the 2009 year.

12. Deferred charges

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Deferred water licensing costs	$ 9,195	$ 3,973	$ 5,222	$ 5,539
Feasibility studies and infrastructure planning	8,274	1,819	6,455	2,943
Hearing costs	3,065	1,991	1,074	1,348
Deferred customer service costs	769	69	700	764
Dam safety review	213	213	-	13
Deferred financing costs	110	55	55	66
	$ 21,626	**$ 8,120**	**$ 13,506**	$ 10,673

13. Accounts payable and accrued liabilities

	2009	2008
Trade payables	$ 6,159	$ 7,979
Employee compensation	281	434
Other	228	155
	$ 6,668	$ 8,568

14. Construction financing

	2009	2008
Financing	**$ 25,000**	$ -

In December 2009 the Utility received interim funding from the Yukon Government to assist with development of the Legacy Project for Stage 2 of the Carmacks-Stewart and the Mayo Hydro Enhancement Project. This funding is for an initial term of six months with an option to extend for an additional three months. Interest on this funding is based on the Bankers Acceptance rate plus 70 basis points. Interest is payable at the maturity of each term.

15. Faro Mine dewatering deferral revenue

	2009	2008
Faro Mine dewatering deferral revenue account		
Opening balance	1,191	1,191
Applied to revenue shortfall per YUB Order 2009-10	(381)	-
Offset to Deferred uninsured losses account per YUB Order 2009-8	(413)	-
Closing balance	**$ 397**	$ 1,191

16. Long-term debt

The Corporation's long-term debt is summarized as follows:

	2009	2008
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.67% per annum. Principal drawdowns are monthly with the balance due on December 27, 2017	$ 14,490	$ 16,059
The Toronto Dominion Bank The Corporation entered into an interest rate swaps to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.62% per annum. Principal drawdowns are quarterly with the balance due on March 30, 2017	7,412	8,276
TD Canada Trust $12,400,000 term note bearing interest at 7.81% payable in monthly installments of $102,000 interest and principal, with the balance due September 30, 2011. The note is guaranteed by the Yukon Government	6,472	7,164
Tr'ondek Hwech'in First Nation liability Long-term liability payable to the First Nation related to the construction of the Carmacks Stewart Transmission Line. This loan is repayable in equal annual principal repayments of $125,000 with the final payment due in 2049. The interest rate is a blended rate based on the cost of debt and the actual rate of return earned by the Utility (6.604% - 2009)	5,000	-
Great West Life $5,750,000 mortgage bearing interest at 11.5%, repayable in monthly installments of $60,269 interest and principal with the final payment due July 2011	1,290	1,834
Carmacks Stewart First Nation liability Long-term liability payable to several First Nations related to the construction of the Carmacks Stewart Transmission Line. These are non interest bearing, repayable in varying instalments, due in 2028	321	341
	34,985	33,674
Less current portion	4,059	3,738
	$ 30,926	$ 29,936

16. Long-term debt - continued

Mortgage payable

The mortgage is secured by land and buildings described in note 9.

Long-term debt repayment

Scheduled repayments for all long-term debt are as follows:

2010	$ 4,059
2011	4,269
2012	3,735
2013	3,897
2014	4,060
Thereafter	14,965
	$ 34,985

Fair value

Fair value at December 31, 2009 of $35,639,000 (2008 - $34,234,000) for all long-term debt including current portions was estimated using discounted cash flows based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

17. Contributions in aid of construction

	Cost	Accumulated Amortization	**2009** Net Book Value	2008 Net Book Value
Contributions from customers since 1998	$ 22,408	$ 1,841	$ 20,567	$ 19,689
Pre - 1998 contributions	1,739	1,031	708	751
Government of Yukon contributions	16,113	1,072	15,041	12,520
Government of Canada contributions	3,200	-	3,200	-
Deferred insurance proceeds	11,122	4,380	6,742	6,999
	$ 54,582	**$ 8,324**	**$ 46,258**	$ 39,959

The Utility has entered into a contribution agreement with the Government of Canada for Green Infrastructure Funding for the Carmacks to Stewart Transmission Line and the Mayo B Hydro Enhancement projects. The Utility is entitled to reimbursement of 50% of eligible costs to a maximum of $71 million during the period May 2009 to March 2012 subject to meeting structured reporting requirements.

The sources of contributions received prior to 1998 were not recorded separately.

18. Sales of power

	2009	2008
Wholesale	$ 22,238	$ 22,999
General Service	3,007	2,804
Residential	1,380	1,316
Secondary Sales	1,442	777
Other	63	86
Industrial	3,191	329
	$ 31,321	$ 28,311

19. Administration expenses

	2009	2008
Wages and benefits	$ 4,108	$ 3,879
General office	1,223	1,200
Insurance and taxes	1,087	1,028
Training, recruitment and development	579	608
Information systems	776	456
Board of Directors	134	279
Environmental	237	130
Regulatory loss	65	196
Material management and contracting	54	65
	$ 8,263	$ 7,841

20. Operations and maintenance expenses

	2009	2008
Wages and benefits	$ 3,939	$ 3,735
Maintenance		
- hydro, diesel and wind	762	823
- lines and substations	869	869
- building and vehicle	1,002	882
Fuel	870	291
Water level measurement	155	160
	$ 7,597	$ 6,760

21. Related party transactions

The Corporation is related in terms of common ownership to all Government of Yukon (YG) departments, agencies and Crown Corporations. Transactions with these entities are entered into in the normal course of operations. All transactions with the Utility are recorded at rates set out by the YUB.

The following table summarizes the related party transactions for the year:

	2009	2008
Capital contributions from YG for Carmacks Stewart Transmission Line	$ -	$ 10,000
Contributions from YG for Interim Electrical Rebate program	1,427	-
Capital contributions from YG for Aishihik Hydro third turbine	2,833	750
Program contributions from YG for fish hatchery operations	92	92
Account receivable YG	210	92
Advance from YG	25,000	-

22. Pension costs and obligations

The Utility sponsors a defined benefit pension plan which provides benefits based on length of service and final average earnings as follows:

- years of pensionable service,
- the average annual earnings during any five consecutive years of pensionable service where earnings are the highest, and
- the average of the years' maximum pensionable earnings (CPP) for the same 5-year period.

Annual cost of living increases to a maximum of 3.00% are provided to pensioners. The Utility contributes amounts as recommended by an independent actuary.

Employees make contributions to the plan as follows:

- 3.5% of earnings up to the year's maximum pensionable earnings
- 5.0% of earnings in excess of the year's maximum pensionable earnings to a maximum of $2,500 per year.

The Utility has contracted with external organizations to provide services of trustee, administrator and investment manager for the pension plan.

An actuarial valuation for funding purposes was performed as of January 1, 2007 by the consulting actuarial firm AON Consulting Inc. The next valuation for funding purposes will be conducted as of January 1, 2010. The pension costs and obligations were based on the data used in the January 1, 2007 funding valuation and have been projected to December 31, 2009 in accordance with generally accepted actuarial standards.

The fair value of the plan assets is based on market values as reported by Group Retirement Services, the plan's custodian as at December 31, 2009. The plan assets are invested in a pooled balanced fund. The distribution of assets by major asset class is as follows: equities - 51.4% (2008 - 45.1%), fixed income securities - 39.5% (2008 - 45.0%); and real estate - 9.1% (2008 - 9.9%).

22. Pension costs and obligations - continued

Information about the Utility's defined benefit plan as at December 31, in aggregate, is as follows:

	2009	2008
Discount rate - accrued benefit obligation	6.25%	6.25%
Discount rate - benefit costs	6.25%	5.25%
Expected long-term rate of return on plan assets	6.50%	6.50%
Assumed rate of salary escalation	3.00%	3.50%
Assumed rate of pension indexing	2.50%	2.50%
Expected average remaining service period of active employees	12 years	12 years
Benefit obligation determined by actuarial valuation	$ 10,491	$ 9,583
Fair value of plan assets	7,751	6,589
Plan deficit	$ 2,740	$ 2,994
Unrecognized amount		
- transitional asset	135	152
- net actuarial losses	(1,703)	(2,213)
Accrued benefit liability	$ 1,172	$ 933

Information about the Utility's defined benefit plan as at December 31, in aggregate, is as follows:

	2009	2008
Current portion of accrued benefit liability	136	132
Long-term portion of accrued benefit liability	1,036	801
Accrued benefit liability	1,172	933
Pension expense	$ 584	$ 523
Employer contributions	$ 345	$ 394
Employee contributions	$ 112	$ 123
Benefits paid	$ 132	$ 154

The accrued benefit liability has been recorded by the Utility and its current portion of $136,000 (2008-$132,000) is included in accounts payable and accrued liabilities on the balance sheet.
Employees joining after January 1, 2002 are not eligible to participate in the defined benefit plan.

The Utility makes contributions to a Registered Retirement Savings Plan ("RRSP") on behalf of these employees and to employees hired before January 1, 2002 who belonged to the defined benefit plan and elected to opt out of that plan. The RRSP is a defined contribution plan. The costs recognized for the period are equal to the Utility's contribution to the plan. During 2009 these were $256,000 (2008 - $220,000).

Total cash payments for employee future benefits for 2009, consisting of cash contributed by the Utility to its funded defined benefit pension plan and cash contributed directly to the RRSP were $601,000 (2008 - $614,000). As at December 31, 2009, the Utility's defined pension plan had 36 members (2008 - 36) and the RRSP had 49 members (2008 - 45).

23. Commitments

Aishihik water license

The Yukon Territory Water Board issued a water use license in 2002, valid until December 31, 2019, for the Utility's Aishihik Lake facility. In addition to maintaining a minimum and maximum water level, this license commits the Utility to meet a number of future requirements including:

- annual payments of $25,000 until 2011 for the purpose of construction and maintenance of a heritage camp and delivery of programs at the camp;
- a Heritage Mitigation Plan. The Utility did not incur expenditures in 2009 on heritage projects and the amount to be expended in the future has not yet been determined; and
- annual fish monitoring programs.

Fish monitoring programs are also required under an authorization provided by the Federal Government Department of Fisheries and Oceans, which is valid until December 31, 2019. The costs of meeting these requirements are accounted for as water license costs in the year they are paid.

Diesel generator purchase

As part of the Power Purchase Agreement (PPA) with Minto Explorations Limited (MEL), the Utility agreed upon commencement of service to the mine and subject to other conditions to pay MEL $2,240,000 for the assignment of four leased diesel generators with a combined continuous rating of 6.4 MW. As at December 31 2009, all conditions had not been met and it cannot be estimated at this time when all conditions will be met.

Contractual obligations

The Utility has entered into contracts to purchase products or services for which the liability has not been incurred as at December 31 2009 as the product or service had not been provided. The committment at year end are for: Construction $2,323,000; Maintenance $898,000; Engineering $2,410,000 and Consulting $1,139,000.

24. Environmental liabilities

The Utility's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon. The Utility conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

The Utility has conducted environmental assessments at all its diesel plant sites. At sites where environmental contamination was found and a legal obligation to remediate the site existed, the Utility has conducted a full remediation.

Therefore, as at December 31, 2009 no environmental liabilities, for which a legal obligation exists to remediate, have been identified by the Utility. The Utility will continue to use its Environmental Management System to monitor and assess previous and potential existing environmental liabilities on an ongoing basis.

25. Risk management and financial instruments

At December 31, 2009, the Corporation's and Utility's financial instruments included cash, accounts receivable, short-term and long-term receivable, accounts payable and accrued liabilities, long and short-term debt and interest rate swaps.

25. Risk management and financial instruments - continued

The Corporation has exposure to the following financial risks: interest rate risk, credit risk and liquidity risk. The Corporations' exposure to these risks arises primarily in relation to its long-term receivable and long-term debt, but also in relation to its other financial assets and liabilities.

The following presents information about the Corporation's exposure to each of the above risks, and how the Corporation manages those risks.

Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation has debt for which variable and fixed interest rates apply. The Corporation has entered into interest rate swap agreements to mitigate its cash flow exposure to changes in interest rates on its variable rate debt. The Corporation is exposed to fair value risk due to changes in interest rates on its fixed rate debt, including the variable rate debt which has been converted from variable to fixed through the use of interest rate swap agreements.

As at December 31, 2009, the Corporation had two interest rate swap agreements in place with notional principal amounts of $16 million and $8 million. The agreements effectively change the Corporation's interest rate exposure on these notional amounts from floating rates to fixed rates of 2.92% and 4.82% respectively.

The fair value of the interest swap agreements at December 31, 2009 was a liability of $.296 million. (2008 - $1.397 million). The interest rate swap agreements cover the notional debt amounts until 2017 at the fixed interest rates noted above. Fair values for interest rate swaps are provided by the financial institution with whom the swaps are held. A 100 basis point decrease/increase in the interest rate assumption would have resulted in an increase/decrease in the interest swap agreements fair value of $718,980 and $761,509 respectively at December 31, 2009. During the year the Corporation paid $1.55 million of interest. (2008 - $1.29 million)

Credit risk

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Corporation. Financial assets, which potentially subject the Corporation to concentrations of credit risk consist principally of cash, accounts receivable, long-term receivable and interest rate swaps. The maximum credit risk at December 31, 2009 is the fair value of these assets which totals $45.047 million (2008 - $20.968 million).

The credit risk related to cash and interest rate swaps is minimized as these assets are held with a Canadian chartered bank.

Accounts receivable are considered for impairment when they are past due or when objective evidence is received that a customer will default. Management has assessed that the credit risk for accounts receivable is minimal since its primary customer which makes up 46.2% of the accounts receivable at December 31, 2009, is a regulated utility which has had a history of positive cash flow and no impairment. (December 31, 2008 - 50.4%) Consistent with prior years there were no balances owing that are older than 90 days and thus the Corporation did not recognize an allowance for doubtful accounts. There is no history of impairment.

In order to minimize the credit risk on the long-term receivable, management obtained the security of assets for the loan and reviews the recoverable amount at each balance sheet date to ensure that adequate impairment losses are made for unrecoverable amounts. Management has considered the customer's credit worthiness by analysis of the entity's financial statements as at December 31, 2009. Based on this analysis, management does not believe that the customer will default on any payments. As at December 31, 2009 management expected to collect the amount of the loan in its entirety.

25. Risk management and financial instruments - continued

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation through active management of the assets and liabilities and cash flows. The carrying amount of accounts payable, accrued liabilities, construction financing and short and long term debt represents the maximum exposure to liquidity risk. At December 31, 2009, the Corporation's accounts payable and accrued liabilities had a carrying value of $31.7 million (2008 - $8.7 million).

At December 31, 2009, the Corporation's short and long term debt had a carrying value of $34.985 million and $7.762 million is due in 2011, $21.902 million is due in 2017, $0.321 million due in 2028 and $5 million is due in 2049.

The Corporation had $17.5 million (2008 - $14.9 million) in undrawn credit facilities at its disposal to further reduce liquidity risk.

Fair values

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2009:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Derivative related liability	$ 296	-	-	$ 296

26. Capital management

The Corporation and the Utility's capital is their equity which is comprised of share capital and accumulated funds in the form of retained earnings. The Corporation and the Utility manage their equity by managing revenues, expenses, assets and liabilities to ensure their objectives are effectively achieved while remaining a going concern.

Corporation's Capital Management Policy

The Corporation's policy is to minimize debt from operations to the maximum extent possible with available cash flows without impairing the working capital needs of the Corporation. The Corporation has no set debt to capital target, nor are there any loan agreements which impose any capital requirements on the Corporation.

Utility's Capital Management Policy

The Utility monitors its capital on the basis of the ratio of total debt to total capitalization. Debt is calculated as total borrowings which is comprised of long-term debt, including the portion of long-term debt due within one year. Total capitalization is calculated as total debt plus total shareholder's equity as shown on the balance sheet. The Utility maintains a balance in retained earnings as an indicator of the Utility's equity position.

The Utility has a policy which defines its capital structure at a ratio of 60% debt and 40% equity. This policy has been reviewed and accepted by the Yukon Utilities Board.
The long-term debt owing by the Utility to the Yukon Development Corporation of $17.424 million that relates to the Transmission Line Construction Financing is not included in this calculation. This long-term debt is linked with the long-term receivable from the industrial customer.

26. Capital management - continued

The Utility bears no risk in holding this debt so the amount was removed from this calculation.

The table below summarizes the Utility's debt to total capitalization position:

(thousands of dollars)		**2009**		2008
Long-term debt due within one year	$	3,783	$	4,721
Long-term debt		105,355		102,753
Total debt		109,138		107,474
Less debt related to the Transmission Line Construction Financing		17,424		16,000
Total debt to include in the calculation	$	91,714	$	91,474
Share capital	$	39,000	$	39,000
Retained earnings		21,943		21,777
Total equity		60,943		60,777
Total capitalization	$	152,657	$	152,251
Total debt to total capitalization		60 %		60 %

There were no changes in the Corporation's or the Utility's approach to capital management during the period.

27. Non-consolidated financial information

The nature and size of operations of the Corporation and its subsidiary, Yukon Energy Corporation differ substantially. Audited financial statements of Yukon Energy Corporation for the year ended December 31, 2009 are also prepared.

28. Subsequent events

Subsequent to year end, the Utility entered into contracts for the construction of the transmission line from Pelly Crossing to Stewart Crossing. The cost of the contracts are $11.685 million payable over the course of construction and work is scheduled to be complete during 2010.

In addition, the Utility entered into an agreement for the construction of a new hydroelectric powerhouse and related facilities in Mayo. The agreement has a target price of $77.7 million payable over the course of construction which is to be completed by March 31, 2012. The Utility has the right to terminate the agreement if all permits are not in place by certain dates.

29. Comparative figures

Certain 2008 figures, which are presented for comparative purposes, have been reclassified to conform with the current year's presentation.

YUKON HOSPITAL CORPORATION

FINANCIAL STATEMENTS

March 31, 2010

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Management Responsibility

The accompanying financial statements of Yukon Hospital Corporation, and all information in the annual report pertaining to the Corporation, are the responsibility of management, and have been approved by the Board of Trustees.

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The financial statements include some amounts, such as the determination of the defined benefit pension plan surplus and the liabilities for accrued severance, retirement and sick leave benefits, that are necessarily based on management's best estimates and judgement. Management has determined such amounts on a reasonable basis. Financial information used in the annual report is consistent with that in the financial statements.

Management maintains a system of internal accounting and administrative controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Trustees of the Corporation is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board exercises this responsibility through an Audit Committee consisting of five non-management members. The Audit Committee meets regularly with management and with the external auditors to review the scope and results of the annual audit, and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board of Trustees for approval.

These financial statements have been independently audited in accordance with Canadian generally accepted auditing standards, by the Auditor General of Canada, and her report is included with these financial statements.

Joe MacGillivray
CEO

August 9, 2010

Nick Leenders
Director of Finance

August 9, 2010

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Board of Trustees of the Yukon Hospital Corporation

I have audited the consolidated statement of financial position of the Yukon Hospital Corporation as at March 31, 2010 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Because the Corporation did not perform a physical inventory count at the beginning of the year, I was not able to observe the counting of opening inventories. I could not satisfy myself concerning those inventory quantities by alternative means. Since opening inventories enter into the determination of the results of operations, I was unable to determine whether adjustments to supplies expense, surplus of revenue over expenses, and opening unrestricted net assets might be necessary.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to verify the opening inventory balances, as described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Andrew Lennox, CGA, CMA
Assistant Auditor General
for the Auditor General of Canada

Vancouver, Canada
August 9, 2010

Yukon Hospital Corporation
Consolidated Statement of Financial Position
As at March 31

	2010 $	2009 $
ASSETS	(thousands of dollars)	
Current assets		
Cash & cash equivalents	**3,537**	6,050
Accounts receivable	**2,177**	1,966
Inventory (note 4)	**2,006**	1,426
Prepaid expenses	**783**	258
	8,503	9,700
Non-current assets		
Restricted funds (note 5)	**108**	197
Accrued pension benefit (note 6)	**6,833**	4,763
Capital assets (note7)	**49,410**	43,645
Contribution Receivable (note 8)	**6,692**	–
	71,546	58,305
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**3,845**	2,854
Accrued payroll and benefits	**3,014**	2,459
Deferred revenue	**435**	132
Short term debt (notes 11 & 12)	**4,322**	70
	11,616	5,515
Long-term liabilities		
Employee future benefits other than pensions (note 9)	**1,863**	1,631
Deferred capital contributions (note 10)	**45,034**	40,185
Long-term debt (notes 11 & 12)	**138**	208
Asset Retirement Liability (note 19)	**177**	–
	47,212	42,024
	58,828	47,539
Net Assets		
Investment in capital assets (note 13)	**3,398**	2,553
Contributed surplus (note 3)	**1,393**	1,393
Restricted - First Nations Health Fund (note 15)	**2,196**	2,400
Restricted for capital purchases, external (note 5)	**108**	197
Restricted for capital purchases, internal	**113**	103
Unrestricted	**5,510**	4,120
	12,718	10,766
	71,546	58,305

Contractual obligations (note 18)

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Chairman

Director

Yukon Hospital Corporation
Consolidated Statement of Operations

For the year ended March 31

	2010 $	2009 $
	(thousands of dollars)	
Revenues		
Government of Yukon - basic funding (note 14)	**36,004**	32,792
Government of Yukon - other (note 14)	**3,797**	2,835
Patients	**2,748**	2,395
Amortization of deferred capital contributions (note 10)	**2,583**	2,421
Government of Yukon - services without charge (note 14)	**1,061**	1,034
Fundraising	**569**	635
Other	**417**	233
Cafeteria	**266**	248
Interest	**46**	544
	47,491	43,137
Expenses		
Compensation and benefits	**24,420**	21,538
Supplies	**5,806**	5,978
Amortization of capital assets	**3,357**	3,193
Other (note 16)	**3,266**	2,514
Contracted services	**2,916**	2,464
Pension (note 6)	**2,043**	2,167
Equipment and building services	**1,883**	1,479
Government of Yukon - services without charge (note 14)	**1,061**	1,034
Fundraising	**155**	155
	44,907	40,522
Surplus of revenues over expenses	**2,584**	2,615

The accompanying notes are an integral part of the financial statements.

Yukon Hospital Corporation
Consolidated Statement of Changes in Net Assets
For the year ended March 31

	Invested in Capital Assets (note 13)	Contributed Surplus	Restricted For First Nations Health Fund (note 15)	Restricted For Capital Purchases External (note 5)	Restricted For Capital Purchases Internal	Unrestricted	2010 Total	2009 Total
	$	$	$	$	$	$	$	$
				(thousands of dollars)				
Balance, beginning of year	2,553	1,393	2,400	197	103	4,120	10,766	9,383
Surplus (deficiency) of revenue over expenses	(844)		(204)		10	3,622	2,584	2,615
Net change in investment in capital assets (note 13)	1,689					(1,689)	0	0
Contributions				6,812		(10)	6,802	137
Purchases of Capital Assets				(6,901)		(533)	(7,434)	(1,369)
Balance, end of year	3,398	1,393	2,196	108	113	5,510	12,718	10,766

The accompanying notes are an integral part of the financial statements

The Surplus (deficiency) of revenue over expenses represents the net impact on the statement of operations of transactions during the year related to the particular component of net assets

Yukon Hospital Corporation
Consolidated Statement of Cash Flows
For the year ended March 31

	2010 $	2009 $
	(thousands of dollars)	
Cash flows provided by (used in) operating activities		
Receipts from and on behalf of patients	$36,703	$38,739
Payments to and on behalf of employees	(27,746)	(24,995)
Payments to suppliers and contractors	(13,963)	(11,772)
Cash flows from (used in) operating activities	(5,006)	1,972
Cash flows used in investing activities		
Purchase of capital assets	(9,122)	(3,899)
Cash flows used in investing activities	(9,122)	(3,899)
Cash provided by financing activities		
Cash received for capital purchases	7,433	2,935
Loan Payable	4,182	73
Cash flows from financing activities	11,615	3,008
Net increase/(decrease) in cash	(2,513)	1,081
Cash & cash equivalents, beginning of the year	6,050	4,969
Cash & cash equivalents, end of the year	$3,537	$6,050
Represented by:		
Cash	$793	$2,803
Cash and cash equivalents - First Nations Health Progran	2,155	2,439
Cash and cash equivalents - Yukon Hospital Foundation	589	808
	$3,537	$6,050

The accompanying notes are an integral part of the financial statements.

1 - PURPOSE

a) Yukon Hospital Corporation ("The Corporation") is a charitable organization established under the *Hospital Act* of the Yukon. The objectives of the Corporation are to provide hospital and medical services to meet the needs of people in the Yukon. The Corporation is a registered charity and accordingly is exempt from income taxes, provided certain requirements of the Federal *Income Tax Act* are met.

b) The Yukon Hospital Foundation ("The Foundation") is a society incorporated under the *Societies Act* of the Yukon. The purpose of the society is to promote health of people in the Yukon, to raise money for hospital and medical care and services, supervised residential care and continuing care, and rehabilitative care and services. The Foundation also grants funds and provides equipment, services and facilities to health facilities in the Yukon, and in particular to the Yukon Hospital Corporation.

2 - NEW ACCOUNTING STANDARDS

Section 4400 & 4470, Revisions to Not-For-Profit Accounting Standards

In September 2008, the CICA issued amendments to Handbook Sections 4400, Financial Statement Presentation by Not-For-Profit Organizations and 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations. The amendments are effective for the Corporation's fiscal year commencing April 1, 2009 and remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and amortization, expand interim financial statements, require disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and include the requirement to follow Handbook Section 1540, Cash Flow Statements. The Corporation has implemented these standards but the standards did not have a material impact on its financial statements.

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Financial statements

The consolidated financial statements include the accounts of Yukon Hospital Corporation and Yukon Hospital Foundation. All significant inter-company transactions and balances have been eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents also includes amounts for the First Nation Health Program. Cash equivalents are recorded at cost, which approximates fair value. The First Nations Health Program is part of the Yukon Hospital Corporation.

Inventory

Inventories are comprised of pharmacy, medical and general operating supplies and are valued at the lower of cost and net realizable value. Inventories are determined on a first-in, first-out basis.

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets are recorded at cost except for contributed capital assets which are recorded at fair market value at the date of contribution. Amortization is calculated by the straight line method over the assets' expected useful lives (see note 7).

Estimated useful life	**Years**
Medical equipment	6.7
Information systems	5
Buildings	10-40
Building improvements	20
Equipment	10
Yukon Hospital Foundation Property & Equipment	5
First Nations Health Program Property & Equipment	10

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from other provinces and uninsured patients, operational revenue and ancillary services are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue for funded programs is recognized in the period expenses are incurred.

Interest income is recorded on an accrual basis and is recognized as revenue when earned.

Restricted contributions, including interest earned, are recognized as direct increases in Restricted for Capital Purchases - External - Net Assets.

Donated services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, these donated services are not recognized in the financial statements.

Financial instruments

All financial instruments reported on the Statement of Financial Position of the Corporation are classified as follows:

Classification

Cash & cash equivalents - Held for trading

Accounts receivable, Due from Government of Yukon and Due from First Nations Health program - Loans and receivables.

Accounts payable and accrued liabilities, accrued payroll and benefits - Other liabilities

Long-term debt - Other liabilities

Held-for-trading
These financial instruments are measured at fair value at the Statement of Financial Position date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in interest income.

Loans and receivables
These financial assets are initially measured at fair value and thereafter are measured at amortized cost using the effective interest method, less any impairment.

Other liabilities
These financial liabilities are recorded at amortized cost using the effective interest rate method.

The Corporation has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

Eligible employees of the Corporation participate in the Yukon Hospital Corporation Employees' Pension Plan, a defined benefit plan administered by the Corporation's Board of Trustees. Contributions to the plan are required from both the employees and the Corporation. Contributions to the plan made during the year by the Corporation on behalf of its employees are included in the statement of operations.

Pensions are based on length of service and final average earnings. Cost of living increases are provided annually to pensioners, as well as upon retirement for deferred pensioners. The expected return on plan assets is based on the fair value of plan assets at the beginning of each fiscal year. Cumulative unrecognized actuarial gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of plan assets are amortized on a straight-line basis over the expected average remaining service lifetime ("EARSL") of active employees expected to receive benefits under the plan. Past service credits and costs arising from retroactive plan amendments are amortized on a straight-line basis over the EARSL of active members expected to receive benefits under the plan. Further details with respect to the pension are contained in note 6.

Employee future benefits other than pensions

Employees are entitled to specified severances and sick leave benefits as provided for under union contracts and conditions of employment. There are no segregated assets for the employee future benefits other than pensions and benefits are paid on a pay-as-you-go basis. The obligation for these payments is estimated and recorded in the accounts as the benefits accrue to the employees.

Cumulative unrecognized actuarial gains and losses in excess of 10% of the accrued benefit obligation are amortized on a straight-line basis over the expected average remaining service lifetime ("EARSL") of active employees expected to receive benefits under the plan. Past service credits and costs arising from retroactive plan amendments are amortized on a straight-line basis over the EARSL of active members expected to receive benefits under the plan Further details with respect to the employee future benefits other than pensions are contained in note 9.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of capital assets, determination of the defined benefit pension plan surplus and the liabilities for accrued severance, retirements and sick leave benefits. Financial results as determined by actual events could differ significantly from these estimates.

Contributed Surplus

Certain assets including land were transferred from the Government of Canada and the Government of Yukon to the control of the Yukon Hospital Corporation on April 1, 1993 and January 19, 1994.

Future Accounting Changes

Changes in Accounting Framework

The CICA has decided to transition Canadian GAAP for certain publicly accountable entities to International Financial Reporting Standards (IFRS) effective January 1, 2011. The Corporation is currently classified as a not-for-profit organization. The Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) have jointly issued an Invitation to Comment on the future financial reporting by not-for-profit organizations. As part of the strategy, the Accounting Standards Board proposed undertaking an examination of the needs of the financial statement users of not-for-profit organizations and, based on its examination, to determine the most appropriate reporting approach. The Corporation is monitoring these initiatives and their impact on its reporting framework and financial statements.

4 - INVENTORY

Inventory	2010 $	2009 $
	(thousands of dollars)	
• Pharmacy	538	472
• Material Management	768	447
• Operating Room Inventory	575	507
• Laboratory Inventory	125	–
Total Inventory	2,006	1,426

5 - RESTRICTED FOR CAPITAL PURCHASES - EXTERNAL

The Corporation has control over restricted funds which have been donated for specific capital purchases. These funds are set up on the balance sheet as an asset with an offsetting entry to Net Assets Restricted for Capital purchases.

	2010	2009
	$	$
	(thousands of dollars)	
Balance, Beginning of year	197	690
Contributions during the year	6,812	141
Purchases during the year	(6,901)	(634)
Balance, End of year	108	197

6 - PENSION COSTS AND OBLIGATIONS

Yukon Hospital Corporation sponsors a contributory defined benefit pension plan. The Corporation contributes amounts as prescribed by an independent actuary. In 2009 members were required to contribute to the plan at a rate of 5.50% of annualized earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 7.50% of annualized earnings in excess of YMPE for the Plan year. In 2010, members are required to contribute to the plan at a rate of 5.75% of annualized earnings up to the YMPE plus 7.75% of annualized earnings in excess of YMPE for the Plan year.

A separate pension fund is maintained to hold plan assets. Yukon Hospital Corporation has contracted with external organizations to provide trustee and investment management services for the fund. Pension fund assets are invested in balanced pooled funds of the investment manager. The market value of plan assets was $44,017,000 as at December 31, 2009.

An actuarial valuation for accounting purposes was performed as of December 31, 2009 by Towers Watson, using the projected benefits method prorated on services. The actuarial valuation included services rendered by members under the Yukon Hospital Corporation Employees' Pension Plan since the inception of the plan in 1993, as well as service credits in respect of pre-1993 service transferred to the Yukon Hospital Corporation Employees' Pension Plan from the Public Service Pension Plan under the Special Reciprocal Transfer Agreement dated June of 1995. The next actuarial valuation for accounting purpose will be performed as at December 31, 2010.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

8 - PENSION COSTS AND OBLIGATIONS (continued)

Weighted-Average Assumptions for Net Period Pension Cost for Fiscal Year	**2010**	**2009**
• Discount rate	6.50%	5.00%
• Expected long-term rate of return on plan assets	7.00%	7.00%
• Rate of compensation increase (exclusive of seniority, merit and promotion increases)	3.00%	3.00%

Weighted-Average Assumptions for Benefit Obligation at Fiscal Year Ending	**2010**	**2009**
• Discount rate	6.00%	6.50%
• Rate of compensation increase (exclusive of seniority, merit	3.00%	3.00%

As at December 31, 2009, pension fund assets are valued at market value. No adjustment is made for benefits payable or contributions receivable.

	2010 **$**	2009 **$**
	(thousands of dollars)	
Change in accrued benefit obligation		
• Accrued benefit obligation - end of prior year	37,449	44,112
• Employer current service cost	1,491	2,212
• Interest cost on benefit obligation	2,519	2,287
• Employee contributions	948	840
• Benefits paid	(1,324)	(2,020)
• Actuarial (gains) losses	3,548	(9,982)
• Accrued benefit obligation - end of year	44,631	37,449
Change in Plan Assets		
• Fair value of plan assets - end of prior year	34,205	39,396
• Actual return on plan assets	6,035	(7,039)
• Employer contributions	4,307	3,235
• Employee contributions	948	840
• Benefits paid	(1,324)	(2,020)
• Actual plan expenses	(154)	(207)
• Fair value of plan assets - end of year	44,017	34,205
Market value of plan assets - end of year	44,017	34,205
Reconciliation of Funded Status		
• Accrued benefit obligation - end of year	44,631	37,449
• Fair value of plan assets	44,017	34,205
• Funding deficit	(614)	(3,244)
• Employer contributions made between measurement date and fiscal year end	1,309	1,503
• Unamortized past service (credits) costs	434	591
• Unamortized actuarial (gains) losses	5,704	5,913
Accrued benefit asset (liability) - end of year	6,833	4,763
Classification of accrued benefit asset (liability)		
• Other assets	6,833	4,763
• Accrued benefit asset (liability) - end of year	6,833	4,763
Components of Net Periodic Pension Cost		
• Current service cost (employer portion) including provision for administrative expenses	1,649	2,351
• Interest cost on benefit obligation	2,519	2,287
• Actual return on plan assets	(6,035)	7,039
• Actuarial (gains) losses on accrued benefit obligation	3,544	(9,982)
Cost arising in the period	1,677	1,695
Differences between costs arising in the period and costs recognized in the period in respect of:		
• Return on plan assets	3,509	(9,864)
• Actuarial (gains) losses	(3,300)	10,179
• Past service (credits) costs	157	157
Net periodic pension cost recognized	2,043	2,167

Plan Assets By Asset Category	**Dec 31, 2009**	Dec 31, 2008
• Equity securities	64%	61.0%
• Debt securities	34%	35.0%
• Other	2%	4.0%
Total	100%	100%

6 - PENSION COSTS AND OBLIGATIONS *(continued)*

The Yukon Hospital Corporation adopted a measurement date of December 31 in respect of its pension obligations. Consequently, both benefit obligations and plan assets are measured as of December 31 for presentation in the financial statements as of March 31.

The accrued benefit assets of $6,833,000 (2009 - $4,763,000) has been recorded on the Corporation's books of account and is included on the balance sheet as at March 31, 2010.

The funded status of the pension plan (a deficit of $614,000 as at December 31, 2009) presented in these financial statements has been determined on the basis that the pension plan remains a going concern.

As at December 31, 2009 the pension plan had a deficit of $12.0 million if valued on the basis that the pension plan were terminated/wound up as at December 31, 2009. The solvency ratio of the plan is 79% Since it is less than 100%, in accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments to eliminate the solvency shortfall. The payments have been actuarially determined as quarterly payments of $413,000 per year over five years starting in 2010. During the fiscal year, the Corporation contributed $4,113,000 to the plan, of which $1,980,000 related to solvency deficiency payments for 2009. Also during the fiscal year, the Corporation received $1,943,000 from the Government of Yukon to fund its pension plan.

7 - CAPITAL ASSETS

			2010	2009
	Cost	Accumulated amortization	Net	Net
	$	$	$	$
		(thousands of dollars)		
Medical equipment	5,807	3,059	2,748	2,880
Information systems	5,545	3,865	1,680	1,629
Buildings	59,736	18,211	41,525	36,136
Building improvements	2,303	909	1,394	1,150
Equipment	1,788	784	1,004	825
Land transferred	1,009	–	1,009	1,009
Land Improvements - Parking lot paving	28	–	28	–
Yukon Hospital Foundation Property & Equipment	43	25	18	11
First Nations Health program Property & Equipment	36	32	4	5
	76,295	26,885	49,410	43,645

8 - CONTRIBUTIONS RECEIVABLE

During the current year the Corporation started several major capital projects. As at March 31, 2010 the Corporation has spent $6.692 million against these projects. The Corporation has secured financing with the CIBC for these projects and the Government of Yukon has committed funds to be paid each year beginning in 2010-11 to repay the loans. As a result, the Corporation has set up a contribution receivable in the amount of $6.692 million and increased its deferred capital by the same amount.

9 - EMPLOYEE FUTURE BENEFITS OTHER THAN PENSIONS

The Corporation provides severances and sick leave benefits to its employees. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future sources of revenue.

An actuarial valuation for accounting purposes was performed as of December 31, 2009 by Towers Watson, using the projected benefits method prorated on services. The actuarial valuation included services rendered by eligible employees at December 31, 2009. The next actuarial valuation for accounting purposes will be performed as at December 31, 2010.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employer turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

Weighted-Average Assumptions for Benefit Obligation at Fiscal Year Ending	**2010**	**2009**
• Discount rate	5.00%	0.00%
• Rate of compensation increase (exclusive of seniority, and promotion)	3.00%	0.00%

Comparative percentages were not available for 2009.

	2010 **$**	**2009** **$**
	(thousands of dollars)	
Change in accrued benefit obligation		
• Accrued benefit obligation - end of prior year	1,781	1,566
• Employer current service cost	300	268
• Benefits	(16)	(53)
• Actuarial (gains) losses	(173)	–
• Accrued benefit obligation - end of year	1,892	1,781
Reconciliation of Funded Status		
• Accrued benefit obligation - end of year	1,892	1,781
• Funding deficit	(1,892)	(1,781)
• Unamortized actuarial (gains) losses	(173)	–
Accrued benefit asset (liability) - end of year	(2,065)	(1,781)
Classification of accrued benefit asset (liability)		
• Current liability	(202)	(150)
• Other long-term liability	(1,863)	(1,631)
Accrued benefit asset (liability) - end of year	(2,065)	(1,781)
Accrued benefit obligation end of year	1,892	1,781

A large portion of the accrued payroll benefits relating to severance, retirement and sick leave have been classified as a long-term liability in the accompanying financial statements as the probability of pay out within the next fiscal year is considered low.

	2010	2009
Components of Net Periodic Benefit Cost		
• Current service cost	300	268
• Actuarial (gains) losses on accrued benefit	(173)	–
Cost arising in the period	127	268
Differences between costs arising in the period and recognized in the period in respect of:		
• Actuarial (gains) losses	173	–
Net periodic benefit cost recognized	300	268

9 - EMPLOYEE FUTURE BENEFITS OTHER THAN PENSIONS (continued)

The Yukon Hospital Corporation adopted a measurement date of December 31 in respect to its benefit obligations. Consequently, the benefit obligation is measured as of December 31 for presentation in the financial statements as of March 31.

The accrued benefit liability of $2,065,000 (2009 - $1,781,000) has been recorded on the Corporation's books of account and is included on the balance sheet as at March 31, 2010 $1,863,000 long term and $202,000 short term included in accrued payroll and benefits.

The funded status of the employee future benefits other than pensions (a deficit of $1,892,000 as at December 31, 2009) presented in these financial statements has been determined on the basis that the severances and sick leave benefits remain a going concern.

10 - DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions received to purchase capital assets. The changes in the deferred contributions balance for the year are as follows:

	2010 $	2009 $
	(thousands of dollars)	
Balance, Beginning of year	40,185	39,671
Restricted government contribution	7,088	1,639
Restricted capital contributions (non-government)	344	1,296
Amount amortized to revenue	(2,583)	(2,421)
Balance, End of year	45,034	40,185

11 - INDEBTEDNESS

	2010	2009	2010	2009
	(thousands of dollars)		(thousands of dollars)	
	Short Term	Short Term	Long Term $	Long Term $
Yukon Development Corporation	70	70	138	208
CIBC New Residence Loan	4,252	–	–	–
	4,322	70	138	208

Yukon Development Corporation

In 2003, Yukon Development Corporation financed an electric boiler system for the Corporation for a total cost of $596,000. The long-term debt repayment portion is 50% of the savings total. An initial payment on principal of $200,000 was made by Yukon Hospital Corporation in 2004.

$208,000 remains from the original $596,000 flexible term note bearing interest at 7.5% repayable in annual instalments, based on annual energy savings realized, secured by a general security agreement on building improvements with a net book value of $387,000. (2009 - $417,000)

The savings realized to date are as follows:

	$ (thousands of dollars)
2004	78
2005	109
2006	112
2007	191
2008	145
2009	140
	775

Yukon Development Corporation is related to the Corporation as they are both under common control by the Government of Yukon. This transaction took place under normal trade terms.

CIBC New Residence Loan

The Corporation has entered into a Demand Construction Loan Facility with the Canadian Imperial Bank of Commerce to be used for financing costs of the new staff residence and medical services facility . The estimated costs are expected to be up to $17 million. The Demand Construction Facility will be repaid in full from the proceeds of a Demand Term Instalment loan upon substantial completion of the projected estimated to be January 2011.

CIBC Bank Loan - interest rate swaps

The Corporation has entered into a Demand Construction Loan Facility with the CIBC. The amounts obtained under this Demand Construction Facility are to be used for financing the costs of the new staff residence and medical services facility with estimated costs to be up to $17 million. Interest is to be calculated at Prime Rate per annum, payable in advance. The Demand Construction Facility will be repaid in full from the proceeds of the Demand Term Instalment Loan upon substantial completion of the Project projected to be January 2011.

11 - INDEBTEDNESS CONTINUED

The Corporation has entered into an interest rate swap agreement with the Canadian Imperial Bank of Commerce to reduce its exposure to fluctuations in interest rates on a portion of its debt. Interest rate swap agreements are transactions in which two parties exchange interest flows on a specified notional amount on predetermined dates for a specific period of time using agreed upon fixed or floating rates of interest. Notional amounts upon which the interest payments/receipts are based are not exchanged. This swap transaction commences December 15, 2010 and terminates on March 15, 2028. The Corporation will pay a fixed rate of 5.23% and payment dates will be the 15th of every month commencing January 17, 2011 up to and including the termination date. The floating rate for the initial calculation period remains to be determined but the floating rate option will be based on the Canadian Dollar - Bankers Acceptance - Canadian Dealer Offer Rate (CAD-BA-CDOR). The spread is 0.85000%.

12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits and long-term debt. The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits approximate their fair values due to the short-term nature of these financial assets and liabilities.

The fair value of debt is based on management estimates and is determined by discounting cash flows required at the interest rate currently estimated to be available for loans with similar terms.

The carrying amount and estimated fair value of the debt financial instruments are as follows:

	2010		2009	
	(thousands of dollars)			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
YDC Short and Long-term debt	208	245	278	374
New Residence Short-term debt	4,252	4,201	–	–
	4,460	4,446	278	374

Risk Management

The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk, and currency risk. The Corporation manages these risk exposures on an ongoing basis.

Credit Risk

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash and accounts receivable represents the maximum credit exposure.

The Corporations accounts receivable has a carrying value of $2,177,000 as of March 31, 2010 (2009 - $1,966,000). There is no concentration of accounts receivable with any one customer. As at March 31, 2010, approximately 9% (2009 - 12%) of accounts receivable were over 90 days past due, whereas 65% (2009 - 72%) were current or less than 30 days past due. The Corporation's allowance for doubtful accounts is $92,000 as at March 31, 2010 (2009 - $280,000).

The risk on cash and cash equivalents is minimized as these assets are held with Canadian Chartered banks.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its requirements.

The carrying amount of accounts payable and accrued liabilities represents the maximum exposure to liquidity risk. The Corporation's accounts payable and accrued liabilities had a carrying value of $3,845,000 as at March 31, 2010 (2009 - $2,854,000). As at March 31, 2010, 100% of accounts payable (2009 - 100%) were current, or less than 30 days past due.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Long term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding energy savings.

Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Corporation has $10,000 of funds in a US bank account in 2010 (2009 - $4,000). The Corporation is not exposed to any significant currency risk.

13 - INVESTED IN DEPRECIABLE CAPITAL ASSETS

(a) Net assets invested in depreciable capital assets is calculated as follows:

	2010 $	2009 $
	(thousands of dollars)	
Capital assets (note 7) less land in Net assets	48,401	42,636
Amounts financed by deferred capital contributions	(45,003)	(40,083)
	3,398	2,553

Change in net assets invested in capital assets is calculated as follows:

(b) Change in Amortization

	2010	2009
Amortization of deferred capital contributions	2,513	2,361
Amortization of capital assets	(3,357)	(3,193)
	(844)	(832)

(c) Net change in invested capital assets

	2010	2009
Purchase of capital assets	9,122	3,899
Amounts funded by deferred capital contributions	(7,433)	(2,935)
	1,689	964

14 - RELATED PARTY TRANSACTIONS

	2010 $	2009 $
	(thousands of dollars)	
Government of Yukon Contribution		
• Basic Funding	35,322	32,129
• First Nations Health program (note 15)	682	663
Total Basic Funding	36,004	32,792
• Other	3,797	2,835
• Yukon Hospital Foundation (included in fundraising revenue)	75	75
Total Government of Yukon Contribution	39,876	35,702

Revenue received from the Government of Yukon for services was $ 39,876,000 for 2010 (2009 - $35,702,000). The 2010 contribution includes $75,000 (2009 - $75,000) flow through funding given to Yukon Hospital Foundation. The other funding includes $1,556,350 (2009 - $2,337,000) for the pension solvency deficiency payments.

Services Without Charge

The value of services provided without charge by the Government of Yukon is estimated to be $1,061,000 (2009 - $1,034,000). This amount consists of operating and maintenance expenses of $359,000 (2009 - $359,000) and property taxes of $702,000 (2009 - $675,000) for facilities owned by the Corporation but used by the Government. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14 - RELATED PARTY TRANSACTIONS (continued)

Other services are provided to related parties at no charge based on the agreement outlined in Appendix H of the 1994 Whitehorse General Hospital Transfer Agreement between the Corporation, the Government of Yukon and the Government of Canada. Appendix H outlines Whitehorse General Hospitals obligation to provide residual services to Yukon communities. The total cost of providing these services for 2010 was $196,000 (2009 - $163,000).

In compliance with the Appendix H agreement, the Corporation provides goods in the amount of $1,141,000 (2009 - $883,000) to related parties which includes a 15% administration charge on Material Management supplies purchased in excess of $80,000. The Corporation recovers only the cost of goods of $1,005,000 (2009 - $842,000). As this is a cost recovery arrangement, the revenues and cost of sales have been netted in Revenues - Other in the Consolidated Statement of Operations. The services without charge are reflected and flow through the Statement of Operations of the Corporation.

15 - FIRST NATIONS HEALTH PROGRAM

The following amounts pertain to the First Nations Health Program and have been included in the Consolidated Statement of Operations.

	2010 $	2009 $
	(thousands of dollars)	
Revenues		
Government of Yukon - Transfer agreement (note 14)	682	663
Interest	12	69
Other	10	–
	704	732
Expenses		
Payroll	789	706
Travel	30	62
Scholarships	11	31
Contribution - Council of Yukon First Nations Health Commission	30	30
Sundry	12	21
Material & Supplies	16	16
Honoraria	19	12
Depreciation	1	2
	908	880
Opening Surplus	2,400	2,548
Net Surplus	2,196	2,400

Under an annual contribution agreement, the Government of Yukon provides funds to the Corporation for the purpose of operating the First Nation Health Program at the Whitehorse General Hospital. The First Nations Health Program includes a health liaison worker program, child life worker for the paediatric ward, traditional medicine, traditional diet, employment equity and training program, interpretation services and in-service training.

16 - OTHER EXPENSE

The balance in Other expense is made up of the following items:

	2010 $	2009 $
	(thousands of dollars)	
Legal and professional fees	462	403
Conference fees/Travel	414	363
Watson Lake Project	384	23
Miscellaneous	368	189
Software maintenance	293	235
Delivery/Courier/Taxi	256	276
Recruitment and relocation	254	136
Insurance	207	184
Communications	186	140
Honorariums	168	85
Advertising	88	39
Membership fees	83	52
Bad debt	58	130
CYFN Health Commission contribution - First Nations Health	30	30
Scholarships First Nations Health	11	31
Security	4	198
	3,266	2,514

17 - CAPITAL MANAGEMENT

The Corporation is subject to financial management and accountability provisions of the *Hospital Act* which imposes restrictions in relation to borrowings and acquisitions of investments. The Corporation receives its principal source of capital through funding received from the Yukon Government. The Corporation considers its capital to be its Net Assets - 'Restricted for capital purchases, external', 'Restricted for capital purchases, internal' and 'unrestricted'.

The Corporation defines and computes its capital as follows:

	2010	2009
	$	$
	(thousands of dollars)	
Restricted for capital purchases, external	108	197
Restricted for capital purchases, internal	113	103
Unrestricted	5,510	4,120
	5,731	4,420

The Corporation's financial objectives are to comply with externally imposed restrictions and manage its capital as a by-product of managing revenues, expenses, assets and liabilities. The Corporation's financial objectives as stated above have remained substantially unchanged over the last two years. The Corporation has complied with the externally imposed restrictions on the funding provided.

18 - CONTRACTUAL OBLIGATIONS

The nature of the Corporation's activities is such that there may be litigation pending or in prospect at any time. No provision has been made for loss in these financial statements, as in management's opinion, there are no active claims which could have a material adverse effect on its financial position or result of operations.

The Corporation has contractual commitments whereby the minimum required payments for the next five years are as follows:

	$ (thousands of dollars)
2010	7,312
2011	9,056
2012	1,389
2013	224
2014	82
Thereafter	34
	18,097

19 - ASSET RETIREMENT OBLIGATIONS

The Corporation has identified asset retirement obligations for specific equipment as requiring special demolition and disposal treatment. The aggregate amount of the liability relating to the disposal of this equipment can reasonably be determined as of March 31, 2010 as $177,000.

20- TRUST ASSETS

	2010	2009
	$	$
	(thousands of dollars)	
Deferred salary leave plan funds held in trusts	82	55

The Corporation administers trust accounts on behalf of employees in regards to its deferred salary leave plan. The deferred salary leave plan funds held in trusts are not included in the accompanying financial statements.

21 - ECONOMIC DEPENDENCE

The Corporation receives approximately 86% of its income and additional funding for its pension from the Government of Yukon.

22 - SUBSEQUENT EVENTS

Effective April 1, 2010 the Corporation has taken over ownership and management of Watson Lake Hospital. Plans have begun to replace the hospital with a new building and scheduled completion date of construction is the spring of 2012. Estimated costs of construction are $22 million. Watson Lake Hospital employees have the option of transferring pensionable service from the Pension Plan for the Public Service of Canada to the Corporation Pension Plan. The actuaries have estimated a total liability to the Corporation of $499,000 if every employee chooses to transfer to the Corporation Pension Plan.

23 - COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2010

(NOT AVAILABLE AT PRESS TIME)

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YUKON LIQUOR CORPORATION

FINANCIAL STATEMENTS

March 31, 2010

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Yukon
Liquor Corporation

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; the assets of the Corporation are safeguarded and controlled; the transactions of the Corporation are in accordance with the relevant legislation, regulations and by-laws of the Corporation; the resources of the Corporation are managed efficiently and economically; and the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation. The financial statements as at March 31, 2010, which include amounts based on management's best estimates as determined through experience and judgment, are prepared in accordance with Canadian generally accepted accounting principles.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and her audit report is included in this report.

Ron MacMillan
President

Date: May 28, 2010

F. Mark Davey, CA
Director, Finance, Systems and Administration

Date: May 28, 2010

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 2010 and the statements of income, comprehensive income and equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Liquor Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and the financial statements are in agreement therewith. In addition, the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of Yukon and regulations, the *Liquor Act* and regulations, the *Liquor Tax Act* and the by-laws of the Corporation.

Guy LeGras, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
May 28, 2010

YUKON LIQUOR CORPORATION
BALANCE SHEET
as at March 31

ASSETS

	2010	2009
	(in thousands)	
Current		
Cash	$ 3,241	$ 2,944
Accounts receivable	124	84
Inventories	2,897	2,415
Prepaid expenses	80	-
	6,342	5,443
Property, plant and equipment (Notes 5 and 7)	1,326	1,571
	$ 7,668	$ 7,014

LIABILITIES & EQUITY

	2010	2009
Current		
Accounts payable and accrued liabilities	$ 3,307	$ 1,551
Due to the Government of Yukon (Note 6)	1,943	2,932
Deferred revenue	78	74
	5,328	4,557
Non-pension benefit liability (Note 10)	1,014	886
	6,342	5,443
Equity (Note 7)	1,326	1,571
	$ 7,668	$ 7,014

Commitments and contingencies (Note 11)

The accompanying notes are an integral part of the financial statements.

Approved by Management:

President

Director, Finance, Systems & Administration

YUKON LIQUOR CORPORATION
STATEMENT OF INCOME, COMPREHENSIVE INCOME AND EQUITY
for the year ended March 31

	2010	2009
	(in thousands)	
Sales		
Beer	$ 15,885	$ 14,590
Spirits	9,220	8,904
Wine	5,236	5,074
	30,341	28,568
Cost of goods sold	15,463	14,349
Gross profit	14,878	14,219
Expenses		
Salaries, wages and benefits	3,822	3,734
Rent, utilities and maintenance	1,545	1,638
Shared corporate services costs (Note 9d)	1,107	1,064
Amortization	368	513
Bank expenses	306	292
Travel and communications	237	225
Other	200	184
General and office supplies	147	161
	7,732	7,811
Operating income	7,146	6,408
Other income		
Fees, permits and licences	120	114
Miscellaneous	8	8
Services received from the Government of Yukon (Note 9c)	588	558
	716	680
Net income and comprehensive income from operations	7,862	7,088
Services provided to the Government of Yukon (Note 1 and 9c)	560	499
Net income and comprehensive income	$ 7,302	$ 6,589
Equity, beginning of year	1,571	2,011
Current year's income to be remitted to the Government of Yukon (Note 9a)	(7,547)	(7,029)
Equity, end of year (Note 7)	$ 1,326	$ 1,571

The accompanying notes are an integral part of the financial statements.

YUKON LIQUOR CORPORATION
STATEMENT OF CASH FLOWS
for the year ended March 31

	2010	2009
	(in thousands)	
Operating activities		
Cash receipts:		
Sales - spirits, wine and beer	$ 30,341	$ 28,569
Annual licence fees and other	82	114
Cash disbursements:		
Purchases	(15,945)	(13,925)
Salaries, wages and benefits	(4,275)	(4,144)
General and administrative expenses	(1,616)	(3,132)
Prepaid expenses	(80)	-
Net cash provided by operating activities	8,507	7,482
Investing activities		
Cash receipts:		
Disposal of shelving	10	-
Cash disbursements:		
Acquisition of property, plant and equipment	(123)	(262)
Net cash used in investing activities	(113)	(262)
Financing activities		
Cash disbursements:		
Remittance of income to the Government of Yukon	(8,097)	(7,380)
Net cash used in financing activities	(8,097)	(7,380)
Increase (decrease) in cash for the year	297	(160)
Cash, beginning of year	2,944	3,104
Cash, end of year	$ 3,241	$ 2,944

The accompanying notes are an integral part of the financial statements.

1. Authority and Operations

The Corporation, established in 1977 under the *Liquor Act*, is responsible for the purchase, distribution and sale of liquor within the Yukon. It is responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Act*.

The Corporation operates a central warehouse and distribution centre in Whitehorse and six liquor stores. The rural liquor stores also provide specific government services on behalf of the Government of Yukon.

In accordance with the *Liquor Act*, the net income for the year, before amortization, less amounts expended on property, plant and equipment, is remitted to the Government of Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of Yukon and to remit these taxes on a monthly basis. The current rate is 12% (2009 - 12%) and is applied to all selling prices.

In accordance with the provisions of the *Beverage Container Regulations* under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Recycling Fund on a monthly basis after deducting deposit refunds paid and fees earned under the program.

As a territorial corporation of the Government of Yukon, the Corporation is exempt from income taxes under Section 149(1)(d) of the *Canadian Income Tax Act*.

2. Adoption of New Accounting Standards

(a) Financial Instruments - Disclosures

In June 2009, the Canadian Institute of Chartered Accountants (CICA) amended Handbook Section 3862 "Financial Instruments - Disclosures" to include additional disclosure requirements regarding fair value measurements and liquidity risk related to financial instruments. All financial instruments measured at fair value must be classified in fair value hierarchy levels, which are as follows:

- Level 1 - values are based on quoted prices in active markets for identical assets or liabilities
- Level 2 - values are determined using inputs that are observable for similar assets or liabilities other than quoted prices
- Level 3 - values are determined using at least one input or assumption that is unobservable

Liquidity risk disclosure was enhanced with the inclusion of a maturity analysis for derivative and non-derivative financial liabilities.

As at March 31, 2010, this disclosure requirement had no impact on the financial statements, since the Corporation had no financial instruments that were being recorded at fair value.

(b) Goodwill and Intangible Assets

In February 2008, the CICA issued a new accounting standard, Handbook Section 3064 "Goodwill and Intangible Assets", which replaced Section 3062 "Goodwill and Other Intangible Assets". The new standard defines the recognition and measurement criteria for intangible assets and, in particular, for intangible assets that are internally generated. CICA Handbook Section 3064 is effective for periods beginning on or after October 1, 2008.

The standard provides guidance for the recognition of intangible assets including computer software that are not an integral part of the related hardware. The implementation of this new section did not have a significant impact on the Corporation's financial statements.

(c) Future Accounting Changes

International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board has announced that all publicly-accountable Canadian reporting entities will adopt IFRS as Canadian Generally Accepted Accounting Principles (GAAP) for the years beginning on or after January 1, 2011. The Corporation has hired an external advisor to assist in the conversion process and has completed its initial diagnostic and financial statement component evaluations.

3. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

Inventories

Inventories are comprised of alcoholic beverages for resale and are valued at the lower of landed cost at point of sale and net realizable value. Inventory costs are determined on a first-in, first-out basis. Cost is comprised of supplier-invoiced value and freight. Net realizable value represents the estimated selling price for inventories less the cost to sell.

Revenue recognition

Revenue is recognized when the sale of products is made to customers.

Expense recognition

Expenses are recognized as incurred, on an accrual basis, in the period to which they relate.

Property, plant and equipment

Property, plant and equipment owned by the Corporation are recorded at cost. Only assets that meet the minimum threshold limit are capitalized on the balance sheet. Amortization is calculated on a straight-line basis and is based on the estimated useful lives of the assets as follows:

Classification	Estimated Useful Life
Land	Indefinite
Buildings	20 years
Furniture and office	5 years
Operating equipment	5 years
Heavy equipment	15 years
Systems development	5 years
Systems equipment	5 years
Leasehold improvements	remaining term of lease

Employee future benefits

Non-pension benefits

Under their conditions of employment, employees may qualify for and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The costs of these benefits are accrued as employees render the services required to earn them. The obligations for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method pro-rated on service. The remainder was calculated assuming all employees would receive the benefits on the valuation date. Net actuarial gains and losses are amortized on a straight-line basis over the expected average remaining serive life of the active employees commencing with the period following the determination of the net actuarial gains and losses. Extended health care and insurance plan employee future benefit liabilities are paid by and accrued in the financial statement of the Government of Yukon.

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Corporation and are expensed during the year in which the services are rendered. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Services received from or provided to the Government of Yukon

The Corporation records in the Statement of Income, Comprehensive Income and Equity services it receives from or provides to the Government of Yukon in the normal course of operations, at their carrying amount. These services include the following:

- services, primarily accommodation, provided by the Government of Yukon;
- services provided by the Corporation to the Government in its capacity as Territorial Agent in localities outside of Whitehorse.

Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates are used when accounting for matters such as amortization and non-pension benefit liability. Actual results could differ materially from these estimates.

Financial Instruments

The Corporation's financial instruments consist of Cash, Accounts receivable, Accounts payable and Due to the Government of Yukon. Accounts payable and Due to the Government of Yukon are due on demand and are non-interest bearing. The carrying amounts of each approximate fair values because of their short maturity. These financial instruments are accounted for as follows:

Loans and receivables

The Corporation has classified the following financial asset as loans and receivables: Accounts receivable. This instrument is initially recognized at its fair value. Fair value is approximated by the instruments initial cost in a transaction between unrelated parties. Loans and receivables are subsequently measured at its amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income when the loan or receivable is settled or upon impairment.

Other financial liabilities

The Corporation has classified the following financial liabilities as other financial liabilities: Accounts payable and Due to the Government of Yukon. These instruments are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method.

4. Financial Instruments

Risk Management

The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk, and liquidity risk. The Corporation manages these risk exposures on an ongoing basis. The Corporation has no significant exposure to interest rate risk and foreign exchange risk. The Corporation is not party to any derivative financial instruments.

Credit Risk

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation.

The carrying amount of Cash and Accounts receivable represents the maximum credit risk exposure.

The Corporation's Accounts receivable has a carrying value of $124,000 as of March 31, 2010 (2009 - $84,000). There is no concentration of accounts receivable with any one customer. As at March 31, 2010, approximately 0.1% (2009 – 36.6%) of Accounts receivable were over 90 days past due, whereas 99.9% (2009 – 63.4%) were current or less than 90 days past due. Historically, the Corporation has not incurred any significant losses with respect to bad debts. The Corporation's allowance for doubtful accounts is nil at March 31, 2010 (2009 - nil).

The risk on cash is minimized as these assets are held with a Canadian chartered bank.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements by regularly checking bank balances and accounts payable reports.

The carrying amount of Accounts payable and accrued liabilities and Due to the Government of Yukon represents the maximum exposure to liquidity risk.

The Corporation does not have long-term financial liabilities. The Corporation's Accounts payable and accrued liabilities had a carrying value of $3,307,000 as at March 31, 2010 (2009 – $1,551,000). As at March 31, 2010, approximately $162,000 or 4.9% (2009 – 1.6%) of Accounts payable were over 90 days past due, whereas 95.1% (2009 – 98.4%) were current or less than 90 days past due. Due to the Government of Yukon had a carrying value of $1,943,000 as of March 31, 2010 (2009 - $2,932,000).

5. Property, Plant and Equipment

Property, plant and equipment purchased by the Corporation are as follows:

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(in thousands)			
Land	$ 202	$ -	$ 202	$ 202
Buildings	4,756	4,062	694	914
Furniture and office equipment	331	97	234	234
Operating equipment	202	159	43	54
Heavy equipment	148	75	73	-
Systems development	216	184	32	75
Systems equipment	223	175	48	92
Leasehold improvements	357	357	-	-
	$ 6,435	$ 5,109	$ 1,326	$ 1,571

The unamortized cost of property, plant and equipment acquired by the Government of Yukon up to March 31, 1990 and held by the Corporation is as follows:

	2010	2009
	(in thousands)	
Liquor store buildings	$ 978	$ 978
Store and warehouse	1,167	1,167
Equipment	375	375
Furniture and office equipment	104	104
	$ 2,624	$ 2,624

6. Due to the Government of Yukon

	2010	2009
	(in thousands)	
Reimbursements due for salaries to employees, shared services costs (2009) and other costs paid on behalf of the Corporation	$ 678	$ 802
Income due to the Government of Yukon pursuant to the		
Liquor Act (Note 9a)	988	1,539
Liquor Tax Act (Note 9b)	275	451
Net remittances due to the Recycling Fund	2	140
Net due at the end of the year	$ 1,943	$ 2,932

7. Equity

This amount represents the sum of the net book value of property, plant and equipment purchased by the Corporation after March 31, 1990, $1,326,000 (2009 - $1,571,000) which the Government of Yukon has provided to the Corporation. The annual change in equity represents additions and disposals of property, plant and equipment less amortization expense for the year.

8. Capital Management

The Corporation manages its capital in order to purchase a range of liquor products and make them available to consumers, and to regulate the sale and consumption of liquor products, while optimizing the net proceeds to government realized from the sale and control of liquor.

The Corporation defines capital as equity (see Note 7) which is represented by net assets. It is subject to the financial management and accountability provisions of the *Financial Administration Act*, the *Corporate Governance Act*, and the *Liquor Act*, which specifies that net assets of the Corporation are the property of the Government of Yukon.

The Corporation manages its equity through its five year capital plan and as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings to ensure that its objectives are achieved efficiently. The five year capital plan and revenue projections are approved annually by the Management Board of the Government of Yukon. The Corporation is required to provide regular variance reporting to the Government of Yukon to ensure the Corporation effectively achieves its objectives whilst remaining a going concern.

The Corporation is not subject to external capital requirements. There has been no change to its capital management during the year.

9. Related Party Transactions

(a) Income due to the Government of Yukon pursuant to the *Liquor Act*

Calculation of adjusted net income due to the Government of Yukon for the year (Note 1):

	2010	2009
	(in thousands)	
Balance due at the beginning of the year	$ 1,539	$ 1,890
Net income and comprehensive income	7,302	6,589
Property, plant and equipment additions	(123)	(262)
Amortization	367	513
Adoption of new accounting policy	-	189
Current year's income to be remitted to the Government of Yukon	7,547	7,029
Less: remitted during the year	(8,098)	(7,380)
Balance due at the end of the year	$ 988	$ 1,539

(b) **Liquor tax**

Liquor tax collected and due to the Government of Yukon for the year (Note 1):

	2010	2009
	(in thousands)	
Balance due at the beginning of the year	$ 451	$ 455
Liquor tax collected during the year	3,637	3,426
Less: remitted during the year	(3,813)	(3,430)
Balance due at the end of the year	$ 275	$ 451

(c) **Other transactions**

The value of services received by the Corporation from the Government of Yukon is estimated to be $588,068 (2009 - $557,860). The value of services provided by the Corporation to the Government of Yukon is estimated to be $560,094 (2009 - $499,328). These transactions are included in the financial statements of the Corporation.

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

The Corporation recognizes services received from and provided to the Government of Yukon at their carrying amount. Recording the value of services provided without charge both by and to the Government recognizes and discloses the full cost of operations of the Corporation.

There is no effect on the 2010 net operating results of the Corporation as a result of this policy. The individual financial statement items affected are as follows:

Services received from the Government of Yukon	2010	2009
Salaries and benefits	$ 3,179	$ 6,979
Rent, utilities and maintenance	574,050	535,632
General and office supplies	10,839	15,249
	$ 588,068	$ 557,860

Services provided to the Government of Yukon	2010	2009
Salaries and benefits	$ 471,660	$ 422,529
Rent, utilities and maintenance	83,888	72,482
Travel and communications	4,546	4,317
	$ 560,094	$ 499,328

(d) Shared services costs

For the year ended March 31, 2010, the Corporation was part of a shared services arrangement with Yukon Housing Corporation which consolidated functions such as finance, systems and administration, policy and communications and human resources services. The amount charged by the Yukon Housing Corporation to the Corporation for shared services for the year was $1,107,000. For the year ended March 31, 2009, these services were provided by a department of the Government of Yukon and the amount charged to the Corporation for shared services for the year was $1,063,760.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts payable by the Corporation at year-end totalling $991,000 (2009 - nil) are included in Accounts payable and accrued liabilities.

10. Employee Future Benefits

Pension plan

The Corporation and all eligible employees contribute to the Public Service Pension Plan administered by the Government of Canada. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Contributions during the year were as follows:

	2010	(in thousands)	2009
Corporation's contributions	$ 318		$ 318
Employees' contributions	178		159

Non-pension benefits

The Corporation provides non-pension benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The results measured at March 31, 2010 are summarized as follows:

	2010	(in thousands)	2009
Accrued benefit obligation, beginning of year	$ 1,006		$ 881
Current service cost	73		71
Interest cost on accrued benefit obligation	62		55
Amortization of net actuarial gains	(1)		(1)
Prior unrecognized net actuarial gain	6		-
Accrued benefit obligation, end of year	$ 1,146		$ 1,006
Short-term portion (vacation)	$ 132		$ 120
Long-term portion	1,014		886
	$ 1,146		$ 1,006

The significant actuarial assumptions were:

Discount rate	5.75%	5.75%
Salary escalation rate	1.20% Jun. 1, 2009 2.50% per annum thereafter	1.80% Jan. 1, 2009 1.20% Jun. 1, 2009 2.50% per annum thereafter

The most recent actuarial valuation made for this non-pension benefit plan was prepared as of April 1, 2007. The next required valuation would be as of April 1, 2010.

11. Commitments and Contingencies

The Corporation has the following operating leases with commitments for annual rents of leased premises due as follows:

Fiscal	Whitehorse Store	Other Retail Stores	Total
2011	$ 236,098	$ 134,727	$ 370,825
2012	19,708	68,775	88,483
2013	-	51,581	51,581
Total	$ 255,806	$ 255,083	$ 510,889

The Corporation's buildings are self insured with the Government of Yukon.

In the normal course of operations, the Corporation enters into multi-year agreements for the provision of freight and other services. The total commitments as at March 31, 2010 for future years ending on March 31, 2012 is $4,054,868.

COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Workers' Compensation Health and Safety Board (the board) is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund assets are safeguarded and controlled; transactions of the Compensation Fund are in accordance with relevant legislation, regulations and board policies; and that the board's resources are managed efficiently and economically and the operations of the board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Compensation Fund. The financial statements as at December 31, 2009, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with Canadian generally accepted accounting principles. Other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors (the Board) are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance, Investment, and Audit Committee. The Finance, Investment, and Audit Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

Morneau Sobeco, an independent consulting actuarial firm, has completed an actuarial valuation of the benefits liability included in the financial statements of the Compensation Fund and reported thereon in accordance with accepted actuarial practice.

Valerie Royle

Valerie Royle, BComm (Hons), MBA
President and Chief Executive Officer

Jim Stephens, CMA, CGA
Vice President, Operations and
Chief Financial Officer

March 5, 2010

Actuarial Statement of Opinion

I have completed the actuarial valuation of the benefits liability of the Yukon Workers' Compensation Health and Safety Board (the "board") as at December 31, 2009 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

1. The estimate of the actuarial liability as at the valuation date is $111,991,000. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes future administrative expenses for all benefits except Annuity benefits payable at age 65. It does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.
2. The liability as at the valuation date for Annuity contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits at age 65 to injured workers was obtained from the board's finance division staff and is included in item 1 above.
3. The valuation is based on the provisions of the *Workers' Compensation Act* of the Yukon Territory and on the board's policies and practices in effect on the valuation date.
4. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the benefits liability.
5. The actuarial assumptions adopted in computing the benefits liability are adequate and appropriate, and the methods used are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the board. The discount rates used are disclosed in note 12 to the financial statements.

Conrad Ferguson, F.C.I.A.

This report has been peer reviewed by Thane MacKay, F.C.I.A.

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Compensation Fund

I have audited the balance sheet of the Compensation Fund as at December 31, 2009 and the statements of operations and comprehensive income, changes in funded position and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Workers' Compensation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith. In addition, the transactions of the Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations and the *Financial Administration Act* and regulations.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
March 5, 2010

240 rue Sparks Street, Ottawa, Ontario K1A 0G6

Compensation Fund

Balance Sheet

As at December 31

	2009 *($000s)*	**2008** *($000s)*
ASSETS		
Accounts receivable (note 6)	$ 2,791	$ 2,354
Investments (note 7)	134,823	119,877
Property and equipment (note 8)	2,885	2,952
Intangible assets (note 9)	4,334	4,036
	$ 144,833	$ 129,219
LIABILITIES		
Bank overdraft (note 10)	$ 994	$ 4,141
Accounts payable and accrued liabilities (note 11)	4,153	3,188
Benefits liability (note 12)	111,991	114,709
Accrued employee benefits (note 13a)	1,092	857
	118,230	122,895
FUNDED POSITION (note 14)		
Prevention Fund	800	3,123
Reserves	25,803	3,201
	26,603	6,324
	$ 144,833	$ 129,219

Commitments and Contingencies (notes 16 and 20)

The accompanying notes are an integral part of these financial statements.

Approved by the Yukon Workers' Compensation Health and Safety Board

Craig Tuton
Chair

Compensation Fund

Statement of Operations and Comprehensive Income

For the year ended December 31

	2009 *($000s)*	2008 *($000s)*
Revenue		
Assessments	$ 25,018	$ 23,878
Investments - net (note 17)	15,904	(14,806)
Recoveries and other receipts	668	830
	41,590	9,902
Expenses		
Claims expenses (note 12)	10,086	17,501
Administration (note 18)		
General and Administration	8,337	7,539
Occupational Health and Safety	1,408	1,300
Workers' Advocate	312	405
Act Review	112	313
Appeal Tribunal	141	154
Prevention (note 19)	915	955
	21,311	28,167
Other comprehensive income (loss)	-	-
Operating surplus (deficit) and comprehensive income (loss)	$ 20,279	$ (18,265)

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Statement of Changes in Funded Position

For the year ended December 31

	2009 *($000s)*	**2008** *($000s)*
FUNDED POSITION		
Balance, beginning of year	$ 6,324	$ 24,589
Operating surplus (deficit) and comprehensive income (loss)	20,279	(18,265)
Balance, end of year	26,603	6,324
Allocation of Funded Position:		
PREVENTION FUND		
Balance, beginning of year	3,123	3,798
Transfer to Stabilization Reserve	(429)	(675)
Transfer to Adverse Events Reserve	(1,894)	-
Balance, end of year	800	3,123
ADVERSE EVENTS RESERVE		
Balance, beginning of year	16,380	16,380
Transfer from Prevention Fund	1,894	-
Balance, end of year	18,274	16,380
STABILIZATION RESERVE		
Balance, beginning of year	(13,179)	4,411
Operating surplus (deficit) and comprehensive income (loss)	20,279	(18,265)
Transfer from Prevention Fund	429	675
Balance, end of year	7,529	(13,179)
Total Reserves Balance	$ 25,803	$ 3,201

The accompanying notes are an integral part of these financial statements

Compensation Fund
Statement of Cash Flows

For the year ended December 31

	2009 ($000s)	2008 ($000s)
Operating activities		
Cash received from:		
Employers, for assessments	$ 25,241	$ 24,144
Investment revenue - net	4,376	4,874
Recoveries and other receipts	711	788
	30,328	29,806
Cash paid to:		
Claimants or third parties on their behalf	(12,804)	(15,280)
Employees, for salaries and benefits	(6,804)	(6,870)
Suppliers, for administrative and other goods and services	(3,294)	(3,378)
	(22,902)	(25,528)
Total cash provided by operating activities	7,426	4,278
Investing activities		
Proceeds on sales and maturities of investments	54,381	51,167
Purchases of investments	(57,757)	(55,763)
Purchases of property and equipment	(145)	(195)
Purchases of intangible assets	(758)	(715)
Total cash used in investing activities	(4,279)	(5,506)
Net increase (decrease) in cash	3,147	(1,228)
Bank overdraft, beginning of year	(4,141)	(2,913)
Bank overdraft, end of year	$ (994)	$ (4,141)

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations

The Compensation Fund (the Fund) was established by the *Workers' Compensation Act* (the Act) and is administered by the Yukon Workers' Compensation Health and Safety Board (the board) pursuant to the Act. In 2008, the Act was amended and received Assent in the Legislative Assembly. The effective date of the new Act was July 1, 2008. The Fund, as administered by the board, provides compensation for injury or death by accident arising out of and in the course of employment. Annual assessments are levied upon employers by applying their industry assessment rate to their actual or estimated payrolls for the year. The assessment and investment revenue pays for all claims, administration and prevention expenses. In 1992, the board was made responsible for the administration of the *Occupational Health and Safety Act* and regulations to advance strategies for preventing workplace injuries in the territory.

2. Adoption of New Accounting Standards

(a) Goodwill and intangible assets
Effective January 1, 2009, the Fund adopted CICA Handbook Section 3064 *"Goodwill and Intangible Assets"*. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets (note 9). The adoption of this standard resulted in the reclassification of software from property and equipment to intangible assets. The impact of this reclassification consisted of an increase in the net carrying amount of intangible assets and a corresponding decrease in property and equipment of $4,334,000 as at December 31, 2009 (2008 – $4,036,000).

(b) Credit risk and the fair value of financial assets and financial liabilities
The Emerging Issues Committee (EIC) of the CICA issued EIC Abstract 173 *"Credit Risk and the Fair Value of Financial Assets and Financial Liabilities"* which requires the consideration of the Fund's own credit risk and the credit risk of counterparties when determining the fair value of financial assets and financial liabilities. The adoption of this section was effective for the Fund's financial statements for the year ended December 31, 2009 and did not have a significant impact on the financial statements.

(c) Fair value hierarchy
In 2009, the Fund adopted the amendments to CICA Handbook Section 3862 *"Financial Instruments* – Disclosures". The amendments to this section established a three-tier hierarchy as a framework for disclosing fair value information based on the inputs used to fair value financial assets and financial liabilities. The Fund uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. There were no such transfers between levels in 2009.

3. Future Accounting Changes

International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will be required for publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for 2010. The Fund will be adopting IFRS effective January 1, 2011. The Fund's management is currently evaluating the impact to the financial statements of the adoption of these standards.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The more significant management estimates relate to the determination of the benefits liability, accrued employee benefits, useful life of property and equipment and intangible assets, and accounts receivable and assessments revenue.

The following is a summary of the significant accounting policies:

(a) Benefits liability

The benefits liability is determined annually and represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefits liability includes a provision for future payments on claims that have not been finalized to date. It also includes a provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims as well as future claims management costs. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period (note 20).

The benefits liability is comprised of three liabilities - medical aid and compensation, pension, and annuity:

- Medical aid and compensation includes benefits for medical aid, compensation for loss of earnings and personal property, lump sum payments for permanent impairment, rehabilitation assistance, emergency transportation, traditional aboriginal healing, and death and funeral expenses.
- The pension liability includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.
- The annuity liability is for workers who have received compensation for the same disability for at least 24 months. An amount equal to ten percent of the total compensation payments, plus interest, is set aside to provide a retirement annuity at sixty-five years of age.

(b) Financial instruments

Recognition and measurement

The board has made the following classifications of the Fund's financial instruments:

Investments
Pursuant to CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, the board has elected to designate all investments as held for trading. Consequently, investments are recorded at fair value. The fair value of publicly traded investments is the quoted market prices. Pooled fund units are valued at their year-end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date. Short-term investments held by the investment managers for investment purposes are included in Investments.

Realized gains and losses, arising on the sale of investments, are recognized in investment income in the period earned net of previously recognized unrealized gains and losses. Unrealized gains and losses, arising from fluctuations in fair value, are recognized in investment income in the period in which they arise. Investment income arising from dividends and interest is recognized in the period earned. Investment income is presented net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in investment income in the period in which they arise.

The board does not enter into any financial derivative instruments as part of managing its investment portfolio.

Other financial assets and liabilities
Accounts receivable and assessments receivable are classified as loans and receivables. Bank overdraft, accounts payable and accrued liabilities, and assessments refundable are classified as other financial liabilities. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts receivable, assessments receivable, bank overdraft, accounts payable and accrued liabilities, and assessments refundable, their carrying values approximate their fair values.

(c) Assessments

Assessment revenue is calculated monthly on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the board. Separate rates of assessment are established for each industry classification. At year end, assessments receivable and payable are adjusted based on the difference between estimated and actual payrolls. An allowance for doubtful accounts is provided for assessments receivable based on management's best estimate.

The board administers the Government of Yukon employees' compensation claims related to injuries prior to January 1, 1993 when the Government was a self-insured employer. The Fund receives reimbursement for the claim costs and related administrative expenses of those employees (note 15). These amounts are recorded in Recoveries and other receipts in the year in which the related expenses are incurred.

(d) Recoveries from third parties

Under section 51 of the *Workers' Compensation Act*, the board is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim are deducted. Any funds remaining will be paid to the claimant. This is over and above any future benefits entitlement. The remaining amount is used to offset future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the benefits liability.

Revenue received from third party recoveries is recorded in the year the settlement occurs. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

(e) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated based on the straight-line method, using rates based on the estimated useful lives of the assets as follows:

Buildings	40 years
Furniture and equipment	5 years
Computer equipment	5 years

Management evaluates the carrying values of property and equipment for indicators of potential impairment whenever changes in circumstances occur. On evaluation of the factors of potential impairment, if an impairment has been determined by management, the asset is written down to its fair value.

(f) Intangible assets

Intangible assets are recorded at cost less accumulated amortization. Salaries, wages and benefits directly related to internally developed software systems are included in the asset's cost. When the asset is substantially complete and ready for use, development costs capitalization will cease and the costs will be transferred to the related asset category and amortized. Amortization is calculated based on the straight-line method, using rates based on the estimated useful lives of the assets as follows:

Systems and software	5 to 12 years

Management evaluates the carrying values of intangible assets for indicators of potential impairment whenever changes in circumstances occur. On evaluation of the factors of potential impairment, if an impairment has been determined by management, the asset is written down to its fair value.

(g) Employee future benefits

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Fund's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employees' required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Fund and are expensed during the year in which the services are rendered. The Fund is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Other benefits

Under conditions of employment, employees may qualify and earn employment benefits for vacation, sick leave, long service leave, and severance benefits. The benefit obligation is determined on an actuarial basis. The liability for accrued employee benefits is based on the December 31, 2009 actuarial valuation as calculated by the board's actuary. The obligation for vacation leave, sick leave, severance and other benefits are calculated using the projected benefit method prorated on service.

(h) Government funding

In 2005, the Government of Yukon approved the reinstatement of ongoing funding for the Mine Safety Program through an annual grant to the board. The Program, which was transferred to the board in 1993, provides mine rescue training and support services as well as mine safety inspection services. The funding is to be reviewed by the Government, at a minimum, every five years. The revenue is accounted for in Recoveries and other receipts in the period in which the related expenses are incurred (note 15).

5. Risk Management

The Fund has exposure to the following financial risks: credit risk, liquidity risk, and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

The Fund's management is responsible for monitoring performance, recommending changes to the Investment Policy, and selecting fund managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy. The portfolio managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, the board retains independent consultants to benchmark the performance of its fund managers and to advise on the appropriateness and effectiveness of its Investment Policy and practices.

The following sections present information about the Fund's exposure to each of the above risks and the board's objectives, policies and processes for measuring and managing each risk:

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. To manage this risk, the board has determined that short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The board has stayed within these guidelines during the year.

Fixed Income Portfolio Credit Ratings

Ratings:	AAA	AA	A	BBB	2009 *($000's)*	2008 *($000's)*
Fixed Income Securities	$ 29,844	$ 12,653	$ 20,443	$ 2,628	$ 65,568	$ 60,445
Totals	$ 29,844	$ 12,653	$ 20,443	$ 2,628	$ 65,568	$ 60,445

The Fund's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer or a cost recovery customer (customer) will be unable to pay amounts due to the Fund. Allowances for doubtful accounts are provided for potential losses that have been incurred at the balance sheet date. The amounts disclosed on the balance sheet are net of these allowances for bad debts. Accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer may default. The board takes into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The board recognizes a specific bad debt provision when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration expenses.

The board believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government based employers may be affected by any downturns due to prevailing economic conditions.
ii. As at December 31, 2009, approximately 98% (2008 – 97%) of accounts receivable and assessments receivable are outstanding for less than 90 days. The board does not require collateral or other security from employers or customers for accounts receivable or assessments receivable.
iii. The board has the power and remedies to enforce payment owing to the Fund.

All of the Fund's accounts receivable and assessments receivable are reviewed for indicators of impairment. A provision for doubtful accounts receivable and assessments receivable of $55,000 (2008 – $89,000) is included in accounts receivable on the balance sheet.

Credit risk arising from securities - lending activities

To generate additional income, the board's fund manager may lend any of its investments to eligible third parties for short periods. These loans are secured against loss with cash or readily marketable securities having a minimum fair value of 100% of the loan. Included in the fund manager's pooled fund investments at year end, the board's share of outstanding securities on loan amounted to nil (2008 – nil). The amount of collateral held for the securities at year end was nil (2008 – nil). For the year, securities-lending transactions within the board's fund manager's pooled investment funds generated incremental income of nil (2008 – $15,000).

Liquidity risk

Liquidity risk is the risk that the Fund is not able to meet its financial obligations as they become due or can do so only at excessive cost. The board's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. The board has access to the Government of Yukon overall line of credit facility with the Government's banker. This access provides the board with overdraft coverage when needed. The Fund's accounts payable and accrued liabilities had a carrying value of $4,153,000 as at December 31, 2009 (2008 – $3,188,000) and are all due within 60 days.

Market risk

The Fund is exposed to market risk, which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 15% or less of the fair value of the investment fund.

The table below presents the Fund's investment targets and actual asset mix at fair value as at December 31, 2009:

	Target		Actual	
	Minimum	**Maximum**	**2009**	**2008**
Equities				
Canadian	0%	25%	15.90%	15.00%
United States	0%	25%	17.10%	14.00%
International	0%	25%	17.40%	17.60%
Fixed Income				
Short-term Investments	0%	10%	0.60%	2.60%
Bonds	35%	85%	49.00%	50.80%
			100.00%	100.00%

The table below presents the effect of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio:

	2009 *($000's)*		2008 *($000's)*	
Percentage decrease in fair value	10%	20%	10%	20%
Equities				
Canadian	$ (2,141)	$ (4,282)	$ (1,775)	$ (3,550)
United States	(2,305)	(4,610)	(1,691)	(3,382)
International	(2,348)	(4,696)	(2,112)	(4,224)
Total decrease in fair value of equity investments	$ (6,794)	$ (13,588)	$ (5,578)	$(11,156)

Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power of current monetary assets. The board manages inflation risk through its investment allocation between equities and fixed income investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The table below presents the effects of a 50 and 100 bps[1] adverse change in the nominal interest rate on the fair value of the bond portfolio:

	2009 *($000's)*		2008 *($000's)*	
Positive bp change in nominal interest rate	+50bp	+100bp	+50bp	+100bp
Bonds	$ (1,819)	$ (3,638)	$ (1,810)	$ (3,620)
Total decrease in fair value of fixed income investments	$ (1,819)	$ (3,638)	$ (1,810)	$ (3,620)

(1) One basis point (bp) equals1/100 of 1%; 50 bp's = 50/100 of 1% or 0.5%.

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk as at December 31, 2009:

	Remaining term to maturity			2009 *($000's)*	2008 *($000's)*
	1 - 5 years	5 - 10 years	> 10 years	Total	Total
Bonds	$ 33,084	$ 18,315	$ 14,169	$ 65,568	$ 60,445
Average effective yield	2.37%	4.33%	5.04%	3.49%	4.15%

Currency risk

Currency risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar.

Within its pooled investments, the Fund is exposed to exchange rate volatility that is managed by the contracted fund manager. The board does not undertake long-term hedging strategies for the currency risk of foreign investments. The fair value of the Fund's US dollar investments as at December 31, 2009 was $35,400,000 (2008 – $27,781,000). The Fund did not hold any investments in other foreign currencies at December 31, 2009 (2008 – nil).

The table below presents the effects of a change in the Canadian/US dollar exchange rates for all equities held in US dollars:

	2009 *($000's)*	2008 *($000's)*
Appreciation in the Canadian Dollar relative to the U.S. Dollar	+10%	+10%
Decrease in fair value of US Dollar based Equites	$ (3,218)	$ (2,526)

Derivative financial instruments

The Fund did not have any derivative financial instruments during the year or at year end (2008 – nil).

6. Accounts Receivable

	2009 *($000s)*	2008 *($000s)*
Receivable		
Assessments	$ 2,509	$ 2,040
Government of Yukon (note 15)	69	204
Other receivables	213	110
	$ 2,791	$ 2,354

7. Investments

The Board of Directors has established an Investment Policy for the management of the investment process, utilizing external investment portfolio managers. The portfolio managers' compliance with this Investment Policy is monitored on a regular basis.

	2009 *($000s)*	2008 *($000s)*
	Fair Value	Fair Value
Fixed-term securities		
Federal bonds	$ 24,755	$ 13,683
Provincial bonds	3,178	4,290
Corporate bonds	37,635	42,472
	65,568	60,445
Equities		
Canadian	21,409	17,750
United States	23,051	16,914
International	23,482	21,122
	67,942	55,786
Other Investments		
Cash on account	108	103
Short-term investments	978	3,136
Accrued interest receivable	311	500
	1,397	3,739
Investments, sub-total	134,907	119,970
Management fee accrual	(84)	(93)
	$ 134,823	$ 119,877

As at December 31, 2009, the Fund held the following financial instruments measured at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Cash and Cash Equivalents	$ 1,313	$ -	$ -	$ 1,313
Bonds	26,451	39,117	-	65,568
Equities	32,939	-	-	32,939
Pooled Funds	-	35,003	-	35,003
Total Investments	$ 60,703	$ 74,120	$ -	$ 134,823

8. Property and Equipment

	2009 ($000s)			2008 ($000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 390	$ -	$ 390	$ 390
Buildings	3,757	(1,488)	2,269	2,351
Furniture and equipment	626	(532)	94	73
Computer systems and equipment	469	(337)	132	138
	$ 5,242	$ (2,357)	$ 2,885	$ 2,952

9. Intangible Assets

	2009 ($000s)			2008 ($000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Software and systems	$ 6,335	$ (2,418)	$ 3,917	$ 3,899
Systems under development (1)	417	-	417	137
	$ 6,752	$ (2,418)	$ 4,334	$ 4,036

(1) As of December 31, 2009, costs of $417,000 (2008 - $137,000) for the Occupational Health and Safety system were capitalized and will not be amortized until 2010 when the system is substantially complete and in use.

10. Bank Overdraft

The board has access to the Government of Yukon's overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed. In 2009, the Fund paid $16,598 of interest on the overdraft (2008 – nil).

11. Accounts Payable and Accrued Liabilities

		2009 *($000s)*		2008 *($000s)*
Payable				
Assessments	$	1,151	$	431
Government of Yukon (note 15)		2,373		2,191
Other payables and accrued liabilities		629		566
	$	4,153	$	3,188

12. Benefits Liability

	2009 *($000s)*				2008 *($000s)*
	Medical Aid & Compensation	**Pension**	**Annuity**	**Total**	**Total**
Balance, beginning of year	$ 85,881	$ 22,217	$ 6,611	$ 114,709	$ 112,488
Add claims costs incurred:					
Current year injuries	11,659	571	-	12,230	14,380
Prior years' injuries	(3,146)	1,107	(105)	(2,144)	3,121
	8,513	1,678	(105)	10,086	17,501
Less claims payments made:					
Current year injuries	2,783	-	-	2,783	3,008
Prior years' injuries	8,310	1,882	(171)	10,021	12,272
	11,093	1,882	(171)	12,804	15,280
Balance, end of year	$ 83,301	$ 22,013	$ 6,677	$ 111,991	$ 114,709

The key actuarial assumptions used to value the benefits liability as at December 31 are as follows:

	2009	2008
Discount rate for medical aid benefits - net (1)	1.50%	1.50%
Discount rate for compensation benefits - net (2)	4.00%	4.00%
Discount rate for survivor and other pension benefits - net (2)	4.00%	4.00%

(1) Net of a discount rate attributable to inflation of 5.5%

(2) Net of a discount rate attributable to inflation of 3.0%

The benefits liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long term economic and actuarial assumptions. As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

Significant changes in the benefits liability due to actuarial assumptions included the following:

	Increase (decrease) in benefits liability	
	2009 ($000s)	2008 ($000s)
Adjustments to mortality factors	$ -	$ 1,242
Other changes in actuarial assumptions	(1,871)	(570)
Favourable claims experience during year	(3,500)	(3,544)
	$ (5,371)	$ (2,872)

The most significant assumption in the determination of the benefits liability is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the net discount rate would increase the actuarial present value of the benefits liability.

Medical benefits represent approximately 19% of the benefits liability. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liability for medical benefits.

	2009 ($000s)		2008 ($000s)	
Percentage change in assumed rates	+1%	-1%	+1%	-1%
Increase (decrease) in benefits liability from change in net discount rate	$ (7,644)	$ 8,768	$ (7,787)	$ 9,040
Increase (decrease) in benefits liability from change in excess medical inflation rate	1,660	(1,435)	1,843	(1,556)

As a result of work performed by the Investigations Unit during the year ended December 31, 2009, the board closed eight claims files. For each of these cases, the board determined the dates (range is from 1988-2007) from when payments should not have been made as the workers were no longer eligible for claims payments. The board has also determined it is not cost effective to collect some of these funds and therefore has decided to write off $1.6 million of the amount paid to the workers in these cases. The present value for the future savings on these claims is estimated to be $4 million and is reflected in the benefits liability. As at December 31, 2009, management has identified a total of twenty claims of which ten are currently under review by the Investigations Unit. The outcome of the investigations is not determinable at this time and therefore, the potential future effect of these claims is not reflected in the benefits liability.

13. Employee Future Benefits

(a) Accrued employee benefits

The liability accrual for employee non-pension benefits, including vacation, sick leave, long service leave, and severance at December 31 was as follows:

	2009 *($000s)*	2008 *($000s)*
Accrued employee benefits, beginning of the year	$ 857	$ 968
Payments made during the year	(72)	(48)
Costs for the year	155	107
Actuarial loss (gain) from changes in actuarial assumptions	152	(170)
Accrued employee benefits, end of the year	$ 1,092	$ 857

The key assumptions used to calculate the accrued employee benefits are a liability discount rate of 6.0% (2008 – 7.5%) and an annual rate of general escalation in wages of 3% (2008 – 3%).

(b) Public Service Pension Plan

Contributions made to the Public Service Pension Plan by the Fund and the employees for the year were as follows:

	2009 *($000s)*	2008 *($000s)*
Employees' contributions	$ 331	$ 315
Fund contributions	632	633
Total contributions	$ 963	$ 948

14. Capital Management and Reserves

The *Workers' Compensation Act* establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These assessment revenues combined with investment returns from the Fund's assets are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors considers that capital includes all assets and liabilities. There have been no changes in the objectives and definition of capital from the previous period. The Fund does not have any external capital requirements. The reserves are established to protect the fully funded position of the Fund and to stabilize the effect of fluctuations in the employer assessment rates and investment returns. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, including the cost of administration. At the end of the fiscal year, once the benefits liability is determined, the remaining difference between the Fund's assets and liabilities is allocated to reserves.

The Board of Directors uses the Funding Ratio (Assets/Liabilities) to manage capital. At December 31, 2009, the Funding Ratio is 123% (2008 – 105%).

In 2008, the Board of Directors amended the Fund's Funding Policy established in 2005, which provides for the establishment of a temporary fund (Prevention Fund) and two new reserves (Adverse Events Reserve and Stabilization Reserve).

Under the current Funding Policy, the Prevention Fund and two reserves are established as follows:

Prevention Fund:

The Prevention Fund serves to provide funding for the start up costs of pre-selected accident prevention and workplace safety initiatives. It was initially established in 2005, with $5,000,000 and will not be replenished once depleted. In 2009, a total of $429,000 (2008 – $675,000) was incurred on accident prevention and workplace safety initiatives.

The Board of Directors decided to wind down the Prevention Fund in 2009. The balance of uncommitted funds ($1,894,000) was transferred to the Adverse Events Fund. The remaining balance in the Prevention Fund will be used to cover future commitments from current funding agreements that were in place prior to this decision. At December 31, 2009, the Prevention Fund has a balance of $800,000 (2008 – $3,123,000).

Reserves:

(i) Adverse Events Reserve

The Adverse Events Reserve is to provide funding for infrequent, unexpected adverse claims experience and catastrophic events to protect employers from the sudden impact of the costs of these types of events. The target level for this reserve is $18,883,000 (2008 – $18,881,000), which has been set at 100 times the maximum wage rate plus 10 percent of the benefits liability and is calculated annually upon completion of the actuarial valuation of the benefits liability. Costs related to catastrophic and adverse events and latent occupational diseases are charged to this reserve, resulting in a charge of nil for 2009 (2008 – nil). This reserve is limited to its target level. Funds in excess of the target level are transferred to the Stabilization Reserve, with nil funds transferred in 2009 (2008 – nil). At December 31, 2009, the Adverse Events Reserve has a balance of $18,274,000 (2008 – $16,380,000).

In 2009, a transfer was made to the Adverse Events reserve of $1,894,000 from the Prevention Fund.

Transfers cannot be made from this reserve to any other temporary fund or reserve if the transfer will reduce this reserve below its target level.

A funding deficiency exists when the reserve is below its target level. There was a funding deficiency of $609,000 as at December 31, 2009 (2008 – $2,501,000). In the event of a charge against this reserve and when a funding deficiency exists, the following steps will be taken to replenish the reserve to its target level:

- Any recovery of the costs charged to this reserve will be added to this reserve, up to the target level.
- Any surplus in the Stabilization Reserve will be transferred to this reserve to replenish it up to the target level, if possible.
- If the transfer from the Stabilization Reserve is not sufficient to replenish this reserve to the target level, the reserve will be replenished by a special assessment premium surcharge based on an established schedule as outlined in the Funding Policy.
- In subsequent years, if a recovery or a surplus in the Stabilization Reserve becomes sufficient to replenish the reserve, any special assessment premium surcharge will be cancelled.

In 2009, a premium surcharge was included in the assessment rates as required by the Funding Policy.

(ii) Stabilization Reserve

The Stabilization Reserve is to protect the fully funded position of the Fund and to stabilize the effect of fluctuations on employer assessment rates. The target level for this reserve is equal to 10 percent of the benefits liability, which was $11,199,000 as at December 31, 2009 (2008 – $11,471,000). The operating range for this reserve is determined as the target level balance plus or minus 3.5 percent of the benefits liability. The annual operating surplus, net of any amounts charged to the temporary fund and the Adverse Events Reserve, is transferred to this reserve. This resulted in an increase to this reserve in 2009 of $20,708,000 (2008 – decrease of $17,590,000). At December 31, 2009, the Stabilization Reserve has a balance of $7,529,000 (2008 – deficit balance of $13,179,000).

This reserve is considered to have a surplus when its balance exceeds the top of the operating range. Any surplus (determined as the difference between the reserve balance and its target level) is transferred to the Adverse Events Reserve, up to the target level if the latter reserve is below target. If the Adverse Events Reserve is at its target level and the balance of the Stabilization Reserve exceeds the upper threshold of the operating range, any remaining surplus will be applied as an employer assessment premium rebate based on an established schedule as outlined in the Funding Policy.

A funding deficiency exists when the reserve balance is below its target level. There was a funding deficiency of $3,670,000 as at December 31, 2009 (2008 – $24,650,000). The amount of the deficiency is determined as the difference between the reserve balance and its target level. In the event that this reserve falls below the lower threshold of the operating range, which was $7,279,000 as at December 31, 2009 (2008 – $7,456,000), the following steps will be taken:

- Any amounts in excess of the target level in the Adverse Events Reserve will be transferred to the Stabilization Reserve, up to the target level, if possible.
- Any remaining deficiency will be replenished up to the target level by a special assessment premium surcharge based on an established schedule as outlined in the Funding Policy.

In 2009, a premium surcharge was included in the assessment rates as required by the Funding Policy.

15. Related Party Transactions

As a statutory Corporation of the Government of Yukon (the Government), the board is related to all Government departments, agencies and Government corporations. The board enters into transactions with these entities in the normal course of business and the transactions are recorded at the exchange amount, which approximates fair value. All mainframe computer software is owned by the Government. The board has access to the Government's overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed. At December 31, 2009, the Fund was required to pay interest of $16,598 on the overdraft (2008 – nil).

During 2009, the Compensation Fund paid the Government $749,000 (2008 – $858,000) for building maintenance, computer, office supplies, payroll processing, recruitment, vehicle and rehabilitation services. The Fund also reimbursed the Government for payroll costs of $6,825,000 (2008 – $6,870,000).

The Government pays certain claims costs to the Compensation Fund for claims prior to 1993 (note 4(d)) and also reimburses the cost of supplementary benefits pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance. Supplementary compensation benefits are granted, pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance, to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund.

Effective January 1, 1993, all Government employees were covered by the Fund. Revenues and recoveries from the Government of Yukon for the year ended December 31 are as follows:

		2009		2008
		($000s)		*($000s)*
Assessments	$	5,923	$	5,640
Pre-93 claims costs		21		43
Supplementary compensation benefits		389		397
Recoveries and other receipts		236		343
Total revenues and recoveries from the Government of Yukon	$	6,569	$	6,423

As at December 31, balances due to and from related parties are as follows:

		2009		2008
		($000s)		*($000s)*
Due to the Government of Yukon (note 11)	$	(2,373)	$	(2,191)
Due from the Government of Yukon - Recoveries (note 6)		69		204
Due from the Government of Yukon - Assessments		504		-
Net amount due to the Government of Yukon	$	(1,800)	$	(1,987)

Transactions with other related parties are in the normal course of business and are not material.

16. Commitments

The board has commitments for computer software development and maintenance fees, professional services contracts, contribution agreements, Prevention Fund agreements and office leases for the next five years, in thousands of dollars, as follows:

	Computer software	Professional Services Contracts	Contribution Agreements	Prevention Fund Agreements	Office Leases	Total
2010	$ 30	$ 506	$ 276	$ 375	$ 10	$ 1,197
2011	27	182	-	94	-	303
2012	-	72	-	-	-	72
2013	-	5	-	-	-	5
2014	-	2	-	-	-	2
	$ 57	$ 767	$ 276	$ 469	$ 10	$ 1,579

17. Investment Revenue

	2009 *($000s)*	2008 *($000s)*
Interest and dividends		
Bonds and short-term investments	$ 3,086	$ 3,116
Equities	1,755	2,197
	4,841	5,313
Gains (losses) - net		
Realized losses in the year	(566)	(21)
Increase (decrease) in fair value in the year	12,128	(19,652)
	16,403	(14,360)
Investment management fees	(499)	(446)
	$ 15,904	$(14,806)

18. Administration Expenses

		2009 ($000s)		2008 ($000s)
Salaries and benefits	$	7,073	$	6,556
Consulting and professional		1,037		803
Amortization - intangible assets		460		508
Buildings		292		285
Automobile and travel		265		224
General administration		211		286
Amortization - property and equipment		206		215
Computer systems		202		192
Communications		181		212
Board expenses		144		158
Staffing and recruitment		117		98
Printing and publications		60		85
Supplies and stationery		49		58
Furniture and equipment		13		31
	$	10,310	$	9,711

19. Prevention Expenses

		2009 ($000s)		2008 ($000s)
Contribution Agreements - funded through the Prevention Fund	$	429	$	675
Contribution Agreements - funded through Operations		486		280
	$	915	$	955

20. Contingencies

The Fund is required to pay for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be reasonably estimated and are not included in the benefits liability or the financial statements.

Due to the nature of the board's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Fund's financial position or results of operations.

21. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

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